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FBIS-LAT-94-196 *11 October 1994*

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NOTICE TO READERS: Effective 1 October, the processing indicators appearing in brackets at the start of each item in this publication have been changed. All new indicators begin with "FBIS" to make the material more easily identifiable. Some also indicate whether the item has been translated from the vernacular or transcribed from English.

An Ω indicates a Foreign Media Note.

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Central American Leaders View Cedras Resignation

PA1010201294 Panama City ACAN in Spanish 1908 GMT 10 Oct 94

[FBIS Translated Text] Managua, 10 Oct (ACAN-EFE)—The Central American governments received with satisfaction and joy the news of coupist General Raoul Cedras' resignation as chief of the Haitian Army and his announcement that he will leave the country.

Shortly before turning over the Army command to Major General Jean Claude Duperval, appointed by constitutional President Jean-Bertrand Aristide, Cedras announced in Port-au-Prince today he will leave Haiti.

Central American foreign ministers and deputy ministers in Managua putting the final touches on preparations for the "Ecological Summit" of area presidents expressed to ACAN-EFE their "satisfaction" over Cedras' decision to leave Haiti.

Honduran Foreign Minister Ernesto Paz said his government "is very happy over this decision, because it makes the restoration of democracy in Haiti possible."

His Nicaraguan counterpart, Ernesto Leal, said: "We view this announcement with great satisfaction, because democracy is returning to Haiti."

"We view Gen. Cedras' resignation with great satisfaction, and we hope he will leave the country so that Haitians can live in peace and democracy," Leal reiterated.

Guatemalan Deputy Foreign Minister Carlos Ramiro Martinez told ACAN-EFE "the Latin American community is pleased, because (Cedras' departure) is an open door for the return of President Aristide."

Meanwhile, Ana Cristina Sol, the Salvadoran ambassador to Washington, who is heading her country's delegation to the preparatory meeting in Managua, said she trusted God "will bring peace and tranquility" to the Haitian people.

Luis Guillermo Solis, Costa Rican ambassador on a special mission to Managua, expressed similar feelings. He spotlighted the efforts made by his government to see democracy back in the Caribbean nation.

Honduran, Guatemalan, Salvadoran Troops To Travel to Haiti

PA1010194394 Panama City ACAN in Spanish 1754 GMT 10 Oct 94

[FBIS Translated Text] Tegucigalpa, 10 Oct (ACAN-EFE)—A military source reported in Tegucigalpa today that approximately 120 Honduran soldiers and an unspecified number of Guatemalan and Salvadoran soldiers will travel to Haiti in a few days to participate in the second stage of the restoration of democracy in the country.

The source, who requested to remain unnamed, told ACAN-EFE that soldiers of the three Central American countries will make up the Francisco Morazan Command, which will participate in this effort after deposed President Jean-Bertrand Aristide's return, scheduled for 15 October.

The source said that "Honduras will participate with a modest contingent of 120 men" and that the request was presented to President Carlos Roberto Reina by the United Nations.

The source also said that the United Nations has requested policemen but that Honduras cannot provide this type of security personnel, because their number is low and their training is not specialized. "We will go to Haiti, as other Latin American countries do, not for a military invasion but, rather, as part of a peace mission, to restore democracy in Haiti," the source said.

The source did not say to what Army unit the Honduran military members traveling to Haiti belong. According to official sources, however, they could come from the 2d Infantry Battalion.

Local media sources also reported today that Armed Forces commander General Luis Alonso Discua Elvir will travel this week to Washington, where he will meet with Republican senators to discuss "matters of Latin American interest."

The military confirmed the report on Discua's trip to the United States, but no details about the agenda were given.

Discua's mission to Washington will last from 12 to 15 October and coincide with the 16th Central American Ecological Summit to be held in Nicaragua.

Central America To Ask Gore To Place Trade on Summit Agenda

PA0810231594 Mexico City NOTIMEX in Spanish 1810 GMT 8 Oct 94

[FBIS Translated Text] San Jose, 8 Oct (NOTIMEX)—Central American countries will ask U.S. Vice President Al Gore for the "opening of spaces" for trade with the region to be included on the agenda of the hemispheric summit in Miami, Costa Rican Foreign Minister Fernando Naranjo has said. He also said that commercial problems will be studied at the hemispheric summit of heads of state convened by President William Clinton and scheduled for December in Miami. "If these problems are not studied at the Miami Summit, the December meeting will go down in history as just another summit," the Costa Rican foreign minister stressed. Central America hopes to gain access to NAFTA as a basic element to strengthen their democracies and social security, he explained.

Naranjo asserted that the six Central American foreign ministers initially made this request of Alexander Watson, assistant secretary of state for inter-American

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affairs, last September within the framework of the 49th UN General Assembly in New York. He remarked that regional presidents will once again present this matter to Gore during the ecological summit that will be held 12-13 October in Managua.

Naranjo also noted Central American nations have made a great effort to strengthen their democracies and modernize their economies and production systems, so as to gain access to change and the benefits of new opportunities on the world market. "We hope to find a formula, more political than commercial, to enjoy temporary membership in the Free Trade Agreement, which may be made conditional upon compliance with certain requirements subject to negotiation," Naranjo said.

He also highlighted that after complying with the accords that have been reached, countries in the area may individually change their temporary status to permanent membership. "We need the door to the market to the north to open up so that we can strengthen our democracies," Naranjo said.

Central America hopes "the benefits that the United States has graciously granted to the region, in keeping with the Caribbean Basin Initiative, will surpass the status of unilateral concessions and reach the level of definitive accords," he underscored. Commercial issues are very important, not only for Central Americans, but also for South American and Caribbean nations, Foreign Minister Naranjo continued. "However, we will convey our proposals and aspirations to Vice President Gore on 12 October in Managua," the official concluded.

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Cuba

Date for Talks With U.S. Set for 24 Oct

PA0710145594 Havana PRENSA LATINA in Spanish 0540 GMT 7 Oct 94

[FBIS Translated Text] Havana , 7 Oct (PL)—PRENSA LATINA was informed today that Cuba and the United States will continue the dialogue on immigration matters in this capital on 24 October.

The talks will examine compliance with the immigration agreement signed in New York on 9 September of this year. That agreement ended a crisis provoked by a policy implemented by various U.S. administrations for over 30 years, a policy that encouraged illegal emigration.

This Thursday, Cuban Foreign Ministry Spokesman Miguel Alfonso reported the plans for renewed talks, the continuity of which is important to normalize bilateral immigration procedures, he said.

Alfonso told national and foreign media sources that the United States has acknowledged Cuban compliance with acquired commitments.

He also said that the U.S. side has the resolve to fulfill its responsibilities, although so far it has not created the instruments for an expanded operational, conceptual, and practical implementation of the agreement.

The agreement establishes that the United States will grant at least 20,000 visas annually to Cubans interested in emigrating to the United States. This is one of the important aspects of the New York Agreement signed by Ricardo Alarcon, the island's chief negotiator, and Michael Skol, principal deputy assistant secretary for inter-American affairs.

The Cuban Foreign Ministry spokesman did not say who will form the Havana and Washington delegations to this new meeting, which will be held in this capital 45 days after the signing of the document.

Spokesman on U.S. Compliance With Migration Accord

PA0810020894 Havana Radio Havana Cuba in Spanish 0000 GMT 8 Oct 94

[Report by Mario Munoz; from the "Evening Information Review" newscast]

[FBIS Translated Text] An important migration agreement was signed about a month ago in New York between Havana and Washington mainly to stop the massive exodus of Cubans who took to the sea on board flimsy boats in order to emigrate to the United States.

Talks between Cuba and the United States led the island government to ban illegal departures while the White House committed itself to granting a minimum of 20,000 visas each year to Cubans interested in emigrating to North America. Island authorities, have implemented measures since the agreement was signed to comply with their commitments. The restrictions they established ended the crisis of the so-called rafters.

One of the clauses of the negotiation in New York established that representatives of the two interested countries would meet by the end of this month to review compliance with the agreement. Given that it is rumored that this meeting will take place on 24 October—because the month is about to end—we have interviewed Miguel Alfonso, spokesman for the Cuban Foreign Ministry:

[Begin Alfonso recording] Based on the information I have, as you stated, Cuba has complied with its commitments. The U.S. party has recognized this compliance. Of course, our conditions allow us to comply faster and more easily. Objectively speaking, the United States is facing a number of operational and conceptual complications, as well as practical ones regarding legislation.

My impression is they need additional personnel in Havana. U.S. Foreign Service rules are not simple; they are complicated. Nevertheless, I believe there is a willingness to comply with this agreement. I believe everything seems to indicate it is of interest to the U.S. Government to honor its commitments, especially if we bear in mind that Cuba has complied with its commitments.

I believe if these talks take place, as it is expected by the end of this month, we will perhaps have clearer indications by that time of the extent of the implementation, because as far as I know, the United States has made no practical efforts to comply with its commitments in the agreement. [end recording]

As for the fate of Cubans who are at the illegal base at Guantanamo, Mr. Alfonso has said:

[Begin Alfonso recording] As you know, Cuba neither decided that they should go to Guantanamo nor that they should use Guantanamo as a springboard for going to Panama later. The United States made those decisions unilaterally, and (?I believe) also illegally, because that base is not intended for such purposes.

One clarification. The statements (?made by) high-ranking U.S. Government personalities have been radical. They will not enter the United States; they must be confined in those concentration camps—that is what they really are—indefinitely. They outlined a very clear policy. The agreement establishes a number of practical provisions. The fate of these people was not literally included in this agreement. This problem is one the United States will have to settle through established channels. There is already a meeting, as it was said here, to analyze how the agreement is working. If the United States believes this situation must be regulated, it will then have to bring up this issue. [end recording]

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Interior Ministry Announces Policy on Voluntary Returns

FL0810121694 Havana Radio Rebelde Network in Spanish 1053 GMT 8 Oct 94

[Interior Ministry note on the voluntary return of Cuban citizens from Guantanamo Naval Base; from the "Doing Radio" program]

[FBIS Translated Text] We announced on 23 September that between 1 and 22 September, 59 individuals had left Guantanamo Naval Base and had traveled on foot to the Cuban side. The current total, from 1 September through 7 October, is 122 individuals. Most of them returned through the minefields, where they were aided by Border Guard troops. To date, two have died, and one has lost a leg.

As announced in the previous note, the New York Immigration accord establishes the option for voluntary return to Cuba. Thus, at 1340 on 7 October, 17 citizens previously held at Guantanamo Naval Base returned to Cuba in a U.S.-registered plane. The arrangements were made through diplomatic channels after study and authorization by Cuban officials, and in accordance with the New York accord. A written record was kept of the strictly voluntary nature of the returns. These people will rejoin their families, pending completion of certain immigration formalities and medical checkups. The only exceptions would be for individuals who, independent of any immigration issues, have cases pending with Justice.

To those comrades who might not understand the need to welcome these individuals back, we would like to stress two vital points:

First, the New York accord allows for assessing and arranging, through diplomatic channels, for the voluntary return of those individuals who arrived in the United States or at overseas camps after 19 August 1994.

Second, it would not be logical to welcome those who try to return through the minefields, risking their lives and those of the Border Guard troops, and not welcome those who wish to return through normal means. It is not compatible with the Revolution's principles and norms to leave anyone stranded in a minefield, nor to encourage this path for returning to Cuba when other means of return are unavailable.

It is entirely the responsibility of U.S. authorities to increase security measures to prevent the people held in Guantanamo from escaping the base through the minefields circling the surrounding occupied territory.

Every case must first be examined and authorized by Cuba. We expect all comrades and neighbors to show the utmost understanding and cooperation with this policy. The returns are not expected to occur all at once, nor is it within Cuba's capabilities to assimilate them en masse. Everything will continue to be done in an orderly fashion and strictly within Cuba's capabilities, following the ethics and behavior consistent with our revolutionary norms and principles.

Signed: The Interior Ministry, 7 October 1994.

Fernandez Visiting Autonomous Regions in Spain

PA0810234494 Havana PRENSA LATINA in Spanish 1320 GMT 7 Oct 94

[FBIS Translated Text] Madrid, 7 Oct (PL)—Jose Ramon Fernandez, a vice president of the Cuban Council of Ministers, arrived in Madrid today on his way to Santiago de Compostela where this afternoon he will begin a five-day visit to Galicia, to be followed by a similar visit to Asturias.

Shortly after his arrival at Madrid's Barajas Airport, Fernandez told PRENSA LATINA that the two visits are at the invitation of the presidents of those two Spanish autonomous communities, Manuel Fraga Iribarne and Antonio Trevin respectively.

The Cuban leader pointed to the numerous ties the island has mainly with Galicia, as well as with the Asturias Principality, that are evident in cultural, scientific, and commercial exchanges, among others.

After noting that Cuba's relations with those two communities are based on bonds of friendship, Fernandez stated he is very glad to be making this visit since, among other things, he regards it as useful for strengthening those exchanges.

He also recalled the international solidarity with Cuba meeting that will be held in Havana from 21 to 25 November, which he expects groups of friendship with Cuba from Galicia, Asturias, and all of Spain to attend.

The Cuban official's schedule dictates that he will hold meetings—on Sunday in Vigo and Thursday in Gijon—with representatives of Cuban friendship associations from Galicia and Asturias, respectively.

In Vigo, Fernandez will also receive, in a symbolic gesture, a grant collected for Cuba by Portugal's friendship associations.

During his brief stopover at Barajas Airport, Fernandez also commented on the meetings he will hold in the two communities with business sectors. He drew a connection between those meetings and the international fair in Havana on [words indistinct] of this month.

In another part of his conversation with PRENSA LATINA, Fernandez described as good Cuba's current relations with Spain, although so far he said he has no plans to meet with members of the official government.

Spain's position of wishing that Cuba would find a solution to its problems is good. We do not agree on everything, but I believe that coexistence is based [words indistinct].

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Says Guantanamo True Concentration Camp

PA1010144994 Havana Radio Havana Cuba in Spanish 1300 GMT 10 Oct 94

[From the "Morning Information Review" newscast]

[FBIS Translated Text] Jose Ramon Fernandez, a vice president of the Cuban Council of Ministers, participated in an event with representatives of Galician solidarity with Cuba associations in the Port of Vigo during his third official day in the Spanish autonomous region of Galicia.

The program began with a visit to the vessel Rio Cativonico, docked in the Galician port, where approximately 100 tons of various cargoes will be loaded, destined for Cuba. The cargo consists of donations by Portuguese associations in addition to aid from the Galicia junta for fellow Galicians living in Cuba.

Jose Ramon Fernandez said during the solidarity event that the Guantanamo military base, where the United States is holding the Cuban rafters, is a true concentration camp and that the rafters' departure from Cuba was strictly due to economic reasons.

Fernandez, who arrived in Santiago de Compostela on 7 October invited by the regional governments of Galicia and Asturias, said the incidents over the past few (?months) have been caused by U.S. noncompliance with the agreement signed with Havana to grant Cubans approximately 20,000 visas per year.

Simultaneously, in both of Spain's two main cities, Madrid and Barcelona, massive demonstrations of solidarity with Cuba were held, with thousands of people participating to demand an end to the U.S. blockade of the island and to demand Washington's military withdrawal from the naval base, which usurps Cuba's territory of Guantanamo.

Arrives in Galicia, Met by Officials

PA0810234694 Havana PRENSA LATINA in Spanish 0144 GMT 8 Oct 94

[FBIS Translated Text] Santiago de Compostela, Spain, 7 Oct (PL)—Manuel Fraga, president of the Autonomous Government of Galicia, has held a fraternal and friendly meeting with Jose Ramon Fernandez, a vice minister of the Cuban Council of Ministers, who today began a four-day visit to this autonomous region.

In a meeting held in the evening, they discussed issues pertaining to the development of friendship between the peoples of Cuba and Galicia. In addition, Fernandez conveyed to Fraga greetings from Cuban President Fidel Castro and invited him on behalf of the Cuban Government to visit Cuba.

Fernandez, who is paying a courtesy call on Fraga, arrived in this region at midday and was met at the Labacolla Airport by Presidential Adviser Dositeo Rodriguez, as well as Jose Luis Gonzalez Sobral, secretary general of the presidency, other high-ranking officials from the autonomous government, and Cuban Consul to Galicia Luis Felipe Vazquez.

The Cuban official termed the U.S. blockade against the island "illegal, immoral, and unethical" and recalled that "already on two occasions, the United Nations has called for its suspension."

The leader stated Cuba "has scrupulously met the provisions of migratory agreements signed with U.S. authorities last month in New York."

"I want to highlight the moral authority of the revolution, upon which, when announcing that the departure of rafters would be suspended, these departures ended immediately, without the need to use force," Fernandez asserted.

Upon arriving at his hotel, Fernandez was welcomed by chants of "Cuba yes, Yankees no," by numerous people carrying three Cuban flags.

This group, made up of members of the Association of Friendship and Solidarity with Cuba from Galicia, Portugal, and even Argentina, conversed briefly with Fernandez, who thanked them for their support, love, and affection for the Cuban revolution.

On this third visit to Galicia, Fernandez visited the "Alejo Charpentier" School of Cuban Culture in the University of Santiago and said his country has actively cooperated in the functioning of this school, adding "we will continue to make every effort toward its development."

The visit by the Cuban delegation, led by Jose Ramon Fernandez, has been widely covered on the front pages of the dailies in Galicia, as well as the television and radio.

Fernandez Tours Galicia

PA0910143594 Havana PRENSA LATINA in Spanish 0048 GMT 9 Oct 94

[FBIS Translated Text] Santiago de Compostela, Spain, 8 Oct (PL)—Jose Ramon Fernandez, a vice president of the Cuban Council of Ministers, visited the province of Orense today, during his busy work schedule in his ongoing visit to Galicia. Fernandez was invited to Galicia by Galician Government President Manuel Fraga Iribarne.

Upon arriving in Orense, Fernandez was received by Congress President Jose Luis Baltar Pumar with whom he talked exhaustively about trade possibilities between this province and Cuba.

Through Fernandez, Baltar Pumar passed on his appreciation to Cuban authorities for the facilities and attention extended to the Orensen community in Cuba.

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Later, the delegation went to the San Cibrao Das Vias industrial estate where Fernandez toured the Agricultural Products Cooperative, Coren, installations, which have an egg-classifying section and an animal feed plant.

As a complement to his visit, the committee also traveled to Maceda to visit the poultry farms that belong to the same firm, which is the main agriculture cooperative in the autonomous community.

Another of the places visited was the so-called Videcal Farm, which is dedicated to the growing of trees, most of which will be used to renew the forests and to recover native species. This plant nursery produces 10 million trees a year.

In the afternoon, the Cuban delegation toured the Galician Technological Park and expressed great interest in the Iberian Advanced Material Unit, which designs and develops with Dupont technology and an excellent productive technology bicycle parts at a very low cost.

During his visit to the Technological Park, Miguel Angel Perez, the honorary president of the Federation of Galicean Business Associations Abroad (FEGAEX), announced that they were sending 10 tons of medicine worth 240 million pesetas to Cuba.

In response to reporters' questions, Fernandez described his talks with President Fraga as "constructive and friendly" with great respect and understanding from the Spanish politician.

Regarding his talks with Cuban emigrants, Fernandez recalled the meeting held with approximately 200 Cuban emigrants in Havana in April 1994.

"We talk with all those who have an honest position regarding Cuba and are against the blockade. The ones we really do not talk to are those who are allied with our enemies and whose only objective is to liquidate the revolution," the Cuban official asserted.

In Santiago de Compostela that evening, Communications Secretary General Jesus Perez Varela, together with a large representation of Galicean journalists, held a friendly conversation with Jose Ramon Fernandez.

Fernandez Receives Donations

PA1010020594 Havana PRENSA LATINA in Spanish 2114 GMT 9 Oct 94

[FBIS Translated Text] Santiago de Compostela, Spain, 9 Oct (PL)—Significant donations from Portuguese and Galician Cuban friendship associations were handed over today during a ceremony at Vigo Port docks presided over by Jose Ramon Fernandez, a vice president of the Cuban Council of Ministers.

The Portuguese donation, which consisted of 170 tons of school materials, medicine, fertilizer, engine parts, and other items, was taken to Vigo via a caravan made up of 100 people and led by Dr. Armanda Fonseca, president of the Portuguese Association of Friendship With Cuba.

Former Admiral Rosa Cutinho, one of the principal players in Portugal's "Revolution of the Carnations," was one of the members of this solidarity group.

The Francisco Villamil Galician-Cuban Friendship Association also delivered a significant donation, which consisted of powdered milk, medicine, and other products.

The donations will be taken to Cuba tomorrow aboard the Rio Jatibonico ship.

At the conclusion of the ceremony, Fernandez and the other participants threw carnations into the sea in homage to (the late Cuban) Commanders Guevara and Camilo Cienfuegos. They released balloons bearing the slogans Viva Cuba and Down with the blockade.

Later, the Cuban delegation went to Castrelos neighborhood to the headquarters of the Association of Neighbors, where the Galician Coordinating Board of Solidarity had organized an event in support of Cuba that was attended by representatives of Galician and Portuguese friendship and solidarity organizations, as well as by delegates from Galician labor, cultural, and social organizations.

The Cuban official reported extensively on Cuba's current situation.

He explained the immigration agreements signed by Cuba and the United States and the economic reasons for the rafters' situation.

He noted that U.S. Government pressure will crush neither the revolution nor the country's independence.

"The socialist project is not negotiable," Fernandez promised, as the people gave him an ovation and shouted "Down with the blockade" and "Viva Fidel."

On the third day of their visit to Galicia, Fernandez and his delegation visited the Casa Grande Rural Tourism headquarters in Cornedi, in Teo, where he talked with important Galician Government officials and with approximately 20 Galician mayors who have visited Cuba, among others.

Robaina Meets Butrus-Ghali, Jewish Leaders

FL0710142594 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 7 Oct 94

[FBIS Translated Text] Early in the morning, Cuban Foreign Minister Roberto Robaina walked to a central area of New York to meet with Jewish personalities. These personalities are interested in the issue of Cuba and its relations with the United States. According to sources from the Cuban delegation, the dialogue that took place was frank and useful.

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Robaina also met with UN General Secretary Butrus Butrus-Ghali and in the 25-minute meeting they discussed aspects related to the UN General Assembly sessions.

Robaina held bilateral meetings with the foreign ministers of Vietnam, the Philippines, Libya, Tanzania, and Kenya. The Cuban delegation also met with the directorate of the National Council of Churches, an organization that represents all the Protestant congregations in the United States. This religious organization has made 27 shipments of food and medicines to Cuba and supports the lifting of the blockade.

Butrus-Ghali Accepts Castro Invitation To Visit

FL0710142694 Havana Radio Rebelde Network in Spanish 0900 GMT 7 Oct 94

[From the "Doing Radio" program]

[FBIS Translated Text] UN Secretary General Butrus Butrus-Ghali announced plans to conduct an official visit to Cuba before the year's end following a meeting with Foreign Minister Roberto Robaina. Butrus-Ghali spoke at length with Robaina; their conversation covered the cooperation between the United Nations and Cuba.

Meanwhile, a Foreign Ministry spokesman told reporters that Cuba expects the UN General Assembly to cast the strongest vote yet against the U.S. blockade. Miguel Alfonso affirmed that Cuba is convinced that the number of countries that will vote to end a policy which is illegal, cruel, absurd, and anachronistic will be even greater. Alfonso also discussed the recent immigration accords reached in New York between Cuba and the United States and confirmed by that the first follow-up meeting will be held in Havana by month's end.

[Havana Radio Rebelde later in the same newscast adds: "Foreign Minister Roberto Robaina spoke with UN Secretary General Butrus-Ghali in New York. Butrus-Ghali told Robaina he has accepted the invitation to visit Cuba extended by Commander in Chief Fidel Castro, president of the Councils of State and Ministers."]

Robaina Participates in Solidarity Events in New York

FL1010031694 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 10 Oct 94

[From the "NTV" newscast]

[FBIS Translated Text] The Cuban delegation presided over by Foreign Minister Roberto Robaina, which is participating in the UN General Assembly sessions, has taken part in two Cuban solidarity events. U.S. Congresswoman Nydia Velazquez participated in the first, and the second took place in Harlem, a black neighborhood. UN-accredited African ambassadors participated in this second event. Robaina was invited to a meeting of the U.S.-Cuba Trade Council. The following is a report on this organization from our correspondents in New York.

[Begin recording] [correspondent Froilain Arencibia] As part of Robaina's contacts with various sectors of U.S. society, he met with over 90 businessmen at the New York Lawyers Club. The meeting was organized by the U.S.-Cuba Trade Council. This organization was created this year and has its offices in Rockefeller Center, New York. (John Kabulis), president of this organization, advises that this organization does not intervene in U.S.-Cuba political issues.

[(Kabulis), in English with superimposed translation into Spanish] The members of the council are a cross section of the U.S. business community. From huge companies with million dollar budgets to medium and small businesses, lawyers associations, economist, and advertising executives who are interested in what is happening in Cuba.

[Arencibia] (Kabulis) informs that in the meeting with the Cuban delegation, for example, some of the companies that participated were: Texaco, Merrill-Lynch, (Morgan-Stanley Bank), (Bosel), and others. All of these companies are influential in the U.S. business world. (Kabulis) believes the fear the Torricelli Law prompted two years ago is fading away. (Kabulis) believes there is an ever-increasing number of people who are publicly airing their interest in establishing businesses in Cuba.

[(Kabulis), in English with superimposed translation into Spanish] Today, most of the U.S. businesses are interested in Cuba for competitive reasons: in the first place, due to the potential competitors that exist in the United States; and in the second place, because of competitor companies already operating in Cuba's economy.

[Arencibia] In (Kabulis') opinion this has produced a change of direction, and now there is a growing interest in knowing what is happening in Cuba. Now, even with the United States blockade dispositions still in force, there are large, medium, and small investors who view the situation differently.

[(Kabulis), in English with superimposed translation into Spanish] There is a dramatic shift among U.S. companies.

[Arencibia] Now, many say, this is U.S. law and policy, fine; but what is really happening in Cuba? Who is imposing restrictions? What possibilities does the U.S. law offer? That is why we can say that in 1994, U.S. companies have become more interested in Cuba than ever before, (Kabulis) stated.

Mexican Deputies on Official Visit for Cultural Exchange

PA0710175794 Havana PRENSA LATINA in Spanish 0556 GMT 7 Oct 94

[FBIS Translated Text] Havana, 7 Oct (PL)—A group of Mexican deputies are in the first phase of their visit to

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Cuba. They have followed an intense work agenda and today plan to meet with acting Foreign Minister Isabel Allende and dedicate a faculty at a trade-union school.

The delegation of deputies, headed by Martin Tavira, secretary of the Mexican Congress Culture Committee, are on an official four-day visit on the centennial of Jose Marti's last visit to Mexico. Marti is Cuba's national hero.

The deputies have already met with their Cuban counterparts and analyzed ideas and information on educational and cultural activities in their countries.

Martin Tavira and Lidia Tablada, chairman of the Culture, Education, Science, and Technology Committee of the Cuban legislature, have agreed that bilateral exchanges will bring legislators from the two countries closer.

The two presided over yesterday's dialogue among deputies from the two nations, who discussed the possibility of maintaining a steady exchange of information and publications as well as visits by prominent people from the cultural and scientific sectors.

The deputies also met with Cuban Culture Minister Armando Hart and with Abel Prieto, president of the Union of Cuban Writers, as part of their program to get a general idea of how culture functions in Cuba.

Today, the last day of the official program, the Mexican deputies will meet with acting Foreign Minister Isabel Allende. [sentence as heard]

The deputies visited the Marti Center for Higher Studies, the Marti section of Cuba's National Library, and the Fragua Martiana Center, all of which are dedicated to analyzing and spreading the revolutionary ideas of the Cuban hero.

The Mexican deputies also visited Havana University, the Fine Arts Palace, and other centers of scientific and cultural interest.

Fidel Castro Thanks Italian Supporters

PA0910040794 Havana PRENSA LATINA in Spanish 2101 GMT 7 Oct 94

[FBIS Translated Text] Havana, 7 Oct (PL)—President Fidel Castro sent a message today "to the men and women in Italy who acknowledge and back Cuba's right to follow its own course and defend the achievements of the revolution."

The note alludes "with great satisfaction to the demonstrations in support of the Cuban people that the movement of friendship and solidarity with our country is preparing in Rome, Milan, and other places in Italy for tomorrow, 8 October."

For the president it is inspiring that such initiatives take as a reference point "one more anniversary of the physical disappearance of a man, who like the Che (deceased revolutionary fighter Ernesto Guevara) is the supreme example of dedication to the cause of solidarity and internationalism among nations."

Fidel Castro's acknowledgement underscores the emphasis the Italians who support the Caribbean nation have placed on condemning the economic, commercial, and financial blockade maintained by the United States against Cuba since 1962, that has caused losses of over $40 billion.

"Once again, dear friends, thank you for your encouragement, which confirms the correctness of our desire to advance, resist, and prevail so as to be able to conserve and develop all the things the revolutionary changes have provided in our society," the president's message asserts.

Boat Carrying 'Undocumented People' Sinks Near Puerto Rico

FL0710213394 Havana Radio Reloj Network in Spanish 1947 GMT 7 Oct 94

[FBIS Translated Text] The Puerto Rican Coast Guard continues to search for survivors after a boat carrying 120 undocumented people—including two pregnant women—from the Dominican Republic to Puerto Rico sank in the Canal de la Mona. The boat's engine exploded at 1200, killing four and injuring 15. Several of the injured suffered serious burns and fractures. The group wanted to enter the United States via Puerto Rico. The cause of the explosion remains unknown. The search for 30 missing people continues in the area where the overloaded wooden vessel sank.

French Senator Arrives on Official Visit

FL1110030394 Havana Radio Rebelde Network in Spanish 0000 GMT 11 Oct 94

[From the "Exclusive" program]

[FBIS Translated Text] Michel Charasse, adviser to French President Francois Mitterrand and senator, has arrived today in Cuba on an official visit. Charasse's visit includes a busy agenda with the National Assembly of the People's Government [ANPP]. Charasse and his delegation are accompanied by Alfredo Guevarra, member of the Central Committee of the Communist Party of Cuba and president of the ANPP Cuba-France Friendship Committee.

IMF, World Bank Hold Joint General Assembly Meeting

PA0810033994 Havana PRENSA LATINA in Spanish 0542 GMT 7 Oct 94

[By Elsy Fors: "The High Cost of Recovery"]

[FBIS Translated Text] The renewed vigor of international macroeconomic figures in Madrid was unable to hide the insufficiencies of IMF and World Bank neoliberal recipes.

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The twins of financial order celebrated their 50th anniversary during a joint general assembly meeting this week in the capital of Spain. Deep wrinkles of poverty that spread throughout their 180-member world showed.

Ministers from the most important Latin American countries said they plan to grow beyond the 5-percent rate in 1995, but the poverty burdening 45 percent of the population will be sheared little, they said.

Chilean Finance Minister Eduardo Aninat told a European news agency his country is not interested in a big growth pace at the expense of the people's wellbeing.

He said he has seen governments "that forget the state must care for the defenseless, and they show returns in the short term but become victims of social upheavals later."

Pedro Aspe, finance secretary of Mexico, a country which has been presented as a model of IMF-type remedies, said at the plenary meeting he has learned that "steady economic growth is not enough; its fruits must be distributed equitably among society."

The unexpected departure of Argentina, one of the fund's outstanding pupils, from the IMF's adjustment plan at the end of September had electoral motivations, basically, but it has also been connected to noncompliance by the Buenos Aires government.

Economy Minister Domingo Cavallo is concerned over the drop in fiscal revenues only a few months away from the presidential elections. There is a trend to drop to the 10 percent level. The trade balance indicates a record deficit, and the unemployment level is almost 10 percent of the active population.

In Madrid, Cavallo reiterated his commitment to keep public accounts properly balanced, but he admitted the state must play an important role in education, health, justice, and public security.

Meanwhile, speaking as if the IMF were not holding a stick near the stirred anthill, IMF Director Michel Camdessus complained many rich countries impose on the developing countries, through the fund, drastic austerity plans but do not impose the same harsh measures on their domestic economies.

Vietnam's dramatic example illustrates the social consequences of macroeconomic engineering applied by the IMF and World Bank.

According to Canadian economy Professor Michel Chossudovsky of Ottawa University's School of Social Sciences, who authored a work on Vietnam's economy, the country, together with greater economic growth, experienced the reemergence of infectious diseases with 300 percent more deaths caused by malaria during the first four years of the reforms.

More than 1 million workers and 200,000 public employees, including tens of thousands of teachers and health personnel, lost their jobs, and there were a number of local food shortages and school dropouts.

The Canadian economist reported a new stage in the economic and social destruction of the developing countries. A new colonization is "effectively" taking place in an officially "nonviolent" manner with the apparently innocuous instruments of the macroeconomic policy and under the guidance of the Bretton Woods Institutions.

Thousands of state enterprises are led to bankruptcy for lack of financing, and ownership is then transferred to foreign capital enterprises. Concurrently, central banks are not allowed to issue currency or lend to state enterprises without IMF authorization. This stipulation, in turn, has led to the bankruptcies of these enterprises and the collapse of fiscal revenue from taxes. In addition, the lack of funds has shrunk public investment. The state's participation in the GNP capital expenses has dropped by 63 percent since 1985.

The experiences described by developing countries in Madrid coincide in that reforms dismantle social sectors and effect an increase in the unemployment rate and poverty, which are the ingredients for a social outbreak that instills growing fear precisely in those who make economic adjustments.

Station Reports UN Response to Iraqi Troop Movements

FL0810180394 Havana Radio Rebelde Network in Spanish 1700 GMT 8 Oct 94

[From the "National Radio News"]

[FBIS Translated Text] The UN Security Council will decide today whether to issue a statement on the alleged deployment of 60,000 Iraqi soldiers near Kuwait's border. The Security Council will make its decision following a report by its president David Hannay on the meeting held last night with Nizar Hamdun, Iraq's ambassador to the United Nations, who stated that the movement of troops within Iraq's border is exclusively an issue of sovereignty.

Madeleine Albright, U.S. ambassador to the United Nations, has asked the Security Council to approve a declaration condemning Iraqi efforts to tie its cooperation with the United Nations to the lifting of the sanctions on Iraq.

The declaration would also warn Iraq of the grave consequences of persisting in what Kuwait perceives as a threat to its sovereignty and territorial integrity—the amassing of Iraqi troops on their common border. However, other members of the Security Council, including Russia, France, Spain, Brazil, and Nigeria pointed out that the mission of UN observers in the demilitarized zone has not been able to confirm the deployment of Iraqi troops, while the PRC stated it will need to request instructions from Beijing.

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Article on Benefits of Policy Changes

PA0810230894 Havana PRENSA LATINA in Spanish 0858 GMT 5 Oct 94

["Exclusive" article by Rafael Hernandez, PRENSA LATINA contributor and specialist in the Cuban Center for American Studies: "The Cracked Crystal Ball"]

[FBIS Translated Text] A few months ago, a friend from Washington who is an expert on the intricacies of U.S. policy toward Cuba, told a group of us interested in this topic that any argument made in that country about a need for changes in that policy should start by not trying to convince anyone that the blockade should be lifted and relations normalized. "Nobody in Washington wants to hear that. The only realistic thing to do is to promote short-term changes to move policy gradually, to create trust, and to make it easier to advance later on. It is a long and unsafe path. From the U.S. perspective, Cuba is now just another small Caribbean island."

I am sure that my friend must have been as surprised as I was when he read an article by the chairmen of the Foreign Relations Committees of both sides of Congress, Claiborne Pell and Lee Hamilton, published in THE WASHINGTON POST on Thursday, 8 September, under the headline: "The Blockade Must End."

Amazingly, the trend that in fact gained strength in the United States, amid the storm of the Cuban migration crisis, was one calling for the elimination [trasponer] of the migration issue. Hamilton and Pell urged people to look beyond this crisis and "start thinking about what the Cuban people truly need." When one remembers that these very committees agreed a couple of years ago to approve the Torricelli law, a classic definition by the philosopher Perogrullo on the ups and downs of politics comes to mind: Live to see it.

Only a year ago I wrote in (the Cuban weekly) "JUVENTUD REBELDE" on this elusive issue. I argued that "the faster or slower pace of changes in Washington's policy do not merely hinge on changes implemented on the island, but on factors like the priority of Cuba on the foreign policy agenda." It is evident that in the past few weeks Cuba has grown in importance on the U.S. scale. But this is not a natural product of history or of greater rationality on the part of this administration, but a consequence of the fact that Cuba once again became a national crisis for the United States.

During the weeks prior to the inauguration of President-elect Clinton, I asked several candidates for the post of assistant under secretary of state for Latin American affairs in the new administration to identify for me the U.S. priority in the Caribbean. Without hesitation, they all replied: Haiti. They told me that "policy toward Cuba will not change unless the Cuban Government accepts U.S. conditions for internal changes on the island. Cuba is not viewed as an urgent problem, but the situation could change if there is a crisis."

In hindsight, I realize that these experts were right when they said that U.S. policy is driven by the propeller of a crisis. The migration crisis between the United States and Cuba shows that only when it was perceived as such, that is, as a national security problem—in military jargon, "a threat to the U.S. southern flank"—was a process of political decisionmaking unleashed that ultimately led to the talks in New York.

This exposed two things. The first is that "even though the Cold War ended, the United States continues to view Cuba, in the final analysis [en ultima instancia], through the prism of national security." The second is that, "especially during crises, foreign policy and other domestic policy interests prevail over the influence of powerful groups in the Cuban community."

The first thing that is evident is that the intercepting of Cuban rafters and their confinement in Guantanamo does not benefit the interests of the Cuban-American elite. The compromise that the administration rushed to reach with the conservative National Cuban- American Foundation [FNCA], aimed at obtaining symbolic support for its policy, reflects precisely the ideas [conciencia] of the administration on this problem [afectacion]. The goal was to obtain the support of at least a segment of this Cuban elite, obviously in exchange for "a photo opportunity" with President Clinton and perhaps for some other promises, in the patronal style that is typically North American.

This is why "active forces" in the community appear to be divided, because the special status of Cubans, their "superior" nature in relation to other migrants, the myth of "golden exile," and all those accepted truths, are ever-present ingredients in Cuban-American policy.

Congressmen and radio stations, influential newspapers, and wealthy businessmen base large amounts of their political (and monetary) capital on the special situation in Cuba [excepcionalismo Cubano]. It was unusual that many people had differing opinions on the Guantanamo issue, which would suddenly lower them "to the same level as the Haitians."

I do not believe we need to conduct a poll to know that most lower class Cuban-Americans disagree with the ban on sending money and packages to their relatives who stayed behind in Cuba and who are suffering the rigors of the special period, nor do they agree with the virtual lack of opportunities to travel to the island. Although this silent majority does not manifest itself or is not taken into account when the political elite makes up its mind, it does represent the Cuban community in exile more honestly than does the elite.

It is evident that the Clinton administration knows all of this and that it consciously puts its foreign policies interests and election alliances in Florida—mid-term elections will be held in November—before its presumed identification with the demands of the Cuban community's right wing.

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But even if someone still thinks that the Clinton administration has at least responded to the FNCA for supporting the recent U.S. policy on legal immigration from Cuba, the talks in New York City proved what the order of its priorities really is. In other words, in negotiating with Cuba, the Clinton administration did exactly the opposite of what the FNCA and intransigent sectors in Miami have advocated. This is what the Reagan administration did when it signed the 1984 immigration agreement or when it negotiated with Cuba on the conflict in southwestern Africa. It is not that the influence of the elite community is irrelevant, but that the position of the players—who uses who—under the umbrella of national security interests, which stand out in a crisis like the one recently endured, is determined, as a last resort, by the U.S. Government.

In my opinion, the United States negotiated with Cuba, as it did before, for an obvious reason: It had no other choice. The New York talks responded implicitly to the failure of the Guantanamo issue. This should not surprise anyone. Now, if U.S. policies are developed in response to crises—a thesis that can be historically proven in Cuba's case—current events could prompt an overall revision of policies toward the island. The Cuban immigration crisis has gotten powerful U.S. media agree on the need to normalize and lift the embargo [as received]. As Hamilton and Pell said, this is an opportunity it should not miss for the sake of its own interests.

Costs and Benefits for the United States

The main price that the U.S. Government would have to pay for an opening toward the island would be confrontation with the groups lobbying for the Cuban issue, including those from the Cuban community. The U.S. Government should also be prepared to deal with attitudes taken and predispositions assumed during more than three decades of bureaucracy by the security and foreign relations apparatuses and by Congress. Finally, negotiating with Cuba implies the eventual discussion of issues like the Guantanamo Naval Base, radio and television broadcasts, and other aspects of the bilateral relations not currently subject to mutual agreements.

But these costs would be more than compensated for, even justified, by the benefits. The mere fact that we could begin a negotiating process would create a foundation (something the United States calls a "constituency" [previous word in English]) for interest groups—especially economic interests—favoring relations with Cuba, groups that have been unable to function as such precisely because of the severity of the U.S. policies. I am referring to sectors like mining, biomedicine, agriculture, oil, tourism, trade, and others. Holding talks with Cuba would liberate a majority in the Cuban community itself, including businessmen—a majority that the traditional conservative policies is holding hostage. This majority would be able to speak for itself and support those policies.

Broadening relations with Cuba would facilitate the process of stabilizing, managing, and controlling the flow of migration from the island, thereby avoiding the threat of an unmanageable immigration process and preventing counterproductive events like Mariel or the recent immigration crisis. The benefit of this broadening of relations concerns not only consistency in U.S. immigration policies but also the interests of the Cuban community itself.

Cooperating with Cuba would allow us to find a fairer solution to problems like drug trafficking, naval and air security, coordination between the Coast Guard and Border Guard, and other aspects of mutual interest regarding the areas surrounding the Florida Straits.

Likewise, cooperating with Cuba would permit agreements which would make telephone communications and other channels that are currently deficient or nonexistent more efficient.

Dialogue with Cuba would eliminate a point of contention with Latin America and several industrialized countries, like Canada, and would eliminate a tense topic of discussion for international organizations.

Starting talks on Guantanamo Naval Base would improve relations and explore means for a constructive and peaceful coexistence between the two Armed Forces. Finally, the flow of information, including the exchange of radio and television programs, between the two countries could be normalized on the basis of an agreement.

Costs and Benefits for Cuba

It is obvious that Cuba would also gain by an end to the hostility and from a diplomatic agreement with the United States. The political recognition of our revolutionary project would mean recognition of the country's independence and self-determination. It would mean an end to the principal pressures on Cuba's foreign relations, including economic ones, which would come from an end to the hostility and would bring considerable relief to our economy and opening up new opportunities.

Access to the U.S. market and its flow of capital, in addition to what it means on its own, would have a multiplying effect on Cuba's external economic relations. Increased contacts between the two countries would allow the building of alliances or points of interests with sectors in U.S. society that today are not permitted to do so, like businesses and nongovernmental organizations.

Cooperation on bilateral problems caused by geographic proximity, including immigration, would be positive. Improvement in relations with the United States would also facilitate relations with the Cuban community in the United States and other countries.

Finally, there would be the chance that Guantanamo Naval Base might be returned, which would mean recovering the national territory's sovereignty and integrity, which is limited by the U.S. military presence.

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Nevertheless, one should not have too many illusions about the United States. Just because the bilateral agenda might be negotiated would not mean that power issues and interests that have up to now encouraged a hostile policy would cease to exist or operate. The activities of those sectors in the executive or in Congress that seek complete change in the Cuban regime would not cease just because a process of diplomatic normalcy had begun. The fact that the United States had agreed to deal with the Cuban Government would not mean that it had given up on the idea of becoming a power or influence within our country's economic and political system.

Although lifting the U.S. blockade is desirable, the impact of the possible influx of U.S. capital into a Cuban economy that has not completed its reform process could have a bad effect. One cannot rule out the possibility that the U.S. Government would want to influence the business community on Cuba, advising or tutoring the flow of capital to favor certain political ends.

Finally, if a more open relationship existed and there were a more extensive communications between the two countries, the government and political interest groups in the United States, including the Cuban community, could try to increase their influence in Cuba's domestic dynamics before the political improvement process is consolidated. Nongovernment organizations and U.S. power structures, cultural institutions, all sorts of interest groups, and U.S. society's ideological apparatus in general would increase their impact on Cuban society in this atmosphere of increased exposure, due to the economic crisis and its effects.

These are not yet today's challenges but will be those of tomorrow, and it is good to take them into account now, since tomorrow might come sooner than what some crystal balls predicted a month ago. As has been seen in these last few days, these balls are too fragile to trust them with the future, especially when what is at stake is the country's future, which belongs to everyone.

Trade Minister on Participation in Farmers Markets

PA0710134894 Havana PRENSA LATINA in Spanish 1918 GMT 4 Oct 94

[Report by Elsy Fors]

[FBIS Translated Text] Havana, 4 Oct (PL)—Official sources reported today that 57 percent of the vendors participating in the farmers markets that opened in the country last weekend were from the private and cooperative sector and 43 percent were from government firms.

Domestic Trade Minister Manuel Vila Sosa told a group of local reporters that private participation should grow as farmers and individual producers have greater confidence in the market's operations and receive more information on the opportunities that this system affords.

According to official statistics, the 122 markets that opened throughout the country sold more than 14 million pesos (equivalent to dollars at the Cuban Government exchange rate) in the first two days of operations, and 1.142 million pesos were collected in taxes, rental payments for vending stalls, and other commercial services.

Vila Sosa highlighted the market's private character and said commercial operations are governed by the law of supply and demand. He said the system created by Decree No. 191 of 20 September is only the first of a group of initiatives in the service sector that are being studied.

As for the prices, which many consumers find high compared to prices for rationed food, the minister explained that as supply increases in response to incentives offered by the markets, the prices will drop. He observed, however, that even at the current level, the prices are lower than those of the black market.

One result expected from the farmers market is that the government firms will try to compensate for the lack of official subsidies by selling their surplus production and idle assets on the free market.

Vila Sosa said that in 1995, government firms will receive only 40 percent of the subsidies received from the Treasury in 1994, and no subsidies are scheduled for 1996. This will force organizations to work profitably or close.

The government polled people on the new farmers markets and the results show that farmers are greatly misinformed. Producers are afraid that if their sales generate a good income they will be subject to the illegal enrichment law promulgated last May.

The people's main complaints, in addition to prices, were the poor assortment of products, the lack of parking spaces for bicycles and vehicles, insufficient manufactured products, and the lack of available refrigeration and weighing equipment.

'Straight Talk' Panel Debates Farmers Market Dynamics

FL1110023694 Havana Radio Rebelde Network in Spanish 1600 GMT 3 Oct 94

["Straight Talk" program with Eloy Concepcion and Renato Recio from TRABAJADORES newspaper, Luis Sexto from BOHEMIA magazine, and host Carlos Santana—live or recorded]

[FBIS Translated Text] [Santana] What criteria should we use to analyze this popular and sensitive issue?

[Sexto] We can begin by talking about prices. I visited the markets Saturday and Sunday. There are many complaints about the prices. True, prices are very high, but they are lower than the black market. I have heard many people complaining about prices. Many of them

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had no doubt purchased from the black market the day before at double the farmers market's price. It is also true that we are not accustomed, and have not been accustomed for many years, to the supply and demand system. We have gotten accustomed to buying rice at 20 cents from the government. We have gotten accustomed to having the government sell products to us at low prices, due to the government's price subsidizing. Therefore, we must realize that this now creates trauma, worry, dismay, and an adjustment for many people, especially for those with lower incomes. Then there are those who want prices to be reduced so they can in turn resell these products later at a higher price.

[Santana] I think that prices should not be a concern because these prices are not fixed. The prices are established between the buyer and the seller. I therefore cannot see why there is concern. Prices are a direct result of the buyer's ability to barter with the seller.

[Concepcion] Carlos, as you say, it should not be something to be concerned with. Unfortunately, it is something that worries many people. Wherever there is a market in the world, there will be buyers and sellers. The seller wants the highest price possible and the buyer the lowest. I have never seen any buyer or seller happy with a final price. Therefore, what has happened in this first step, this embryo, and a very important one at that, is that people have confronted a reality that has been unknown to them for over three decades, a free-participation market. What I want everyone to understand is that the only way to stimulate production—which is the prime objective, because people complain about prices but I am sure they complain even more about the lack of products—as I was saying, the only why to stimulate production is by having a demand and supply price system. This means that prices are to be determined between the buyer and the seller. I say this because yesterday, though only in a few cases, some people began to pressure, through words and expressions, for prices to be reduced. This is not logical in a market. You can go to a market and buy or not buy something, but you cannot obligate the seller to lower his prices. That is a result of concurrence or bartering, as you had said, on an individual basis, or by society as a whole.

[Santana] The lack of awareness that you are talking about—excuse me, Luis, before you speak. This manner of being creates some disorder in a market, if the bartering is between a buyer and a seller, which is how it should be and is in most cases, which is normal. What I disagree with is certain things we saw on Saturday—people yelling at sellers. This disrupts the market. Perhaps we can analyze this today.

[Sexto] Carlos, Renato, and Eloy, we have had many years of egalitarianism, and to many, years of a generous and bountiful type of market. Therefore, as Eloy and Renato stated before, our people are not accustomed to a demand and supply type of market. A market is always a contest between a buyer and a seller. This is favorable for a market. This contest is what stimulates and maintains a market. Now then, I believe we must bear two things in mind in this analysis: First, our agricultural production is depressed, very depressed. There are very few products available. We cannot deny it. Based on that, what this market is focused on is stimulating agricultural production. Everyone knows that production is bleak. Everyone knows that their local grocery stores offer very few products. Therefore, we are trying to stimulate production through market-type mechanisms. Secondly, we must bear in mind that prices are being influenced by the excess circulation, something that affects all of Cuba—that parallel battle that we are fighting to try to reduce the money in circulation in our economy to rational levels. Those two things must be kept in mind when analyzing market prices. In the first few days, things are going to be the way we have seen—that is, with some irrational protesting. I consider it irrational because the buyers are unaware of all these things. They do not consider that this is a market and not here to give candy away to everyone. This market is here so that those who have money can buy things and those who produce can produce even more.

[Santana] You visited the farmers markets on Saturday. Was there a wide variety of products?

[Recio] Before I talk about the variety of products available, I would like to give my opinion in regard to the price problem. I am not outraged by the fact that people have protested about the prices. I think that is part of a situation we have had for a long time. I do not think it is unheard-of, nor should we consider this of dire importance—a group of buyers who call for a reduction in prices. Now, with reference to the important, decisive problem of prices .....

[Santana, interrupting] Who can buy anything in a market where there is yelling going on?

[Concepcion] Just like any other market in the world....

[Santana, interrupting] No, no ....

[Concepcion, interrupting] In all markets, the buyers are telling the sellers—no, no, that price is too high, lower it. That happens in any type of market. The thing here is, we do not have that habit. I will give two examples: Plantains were priced at three pesos per unit in Havana City's black market. The farmers markets opened with plantains priced at one peso per unit and closed Sunday with plantains priced at 50 cents per unit. Another problem item, pork, was priced at 55 pesos at Virgen del Camino market, in Havana City. I myself saw that people were complaining and objecting to this price. The price was lowered to 45 pesos and it ended up costing 35 pesos in some markets. Was this due to the protesting? No, it was because prices are based on supply and demand. In Havana City's black market, pork was priced at 60 pesos. There are two elements we must take into consideration when analyzing price problems: First, on Saturday in Havana City, over seven million pesos, and on Sunday, over six million pesos worth of products were

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sold. Therefore, in Havana City, these two days represented 12 to 13 million pesos' worth of sales. There were very long lines of people waiting to purchase products. Therefore, we should not talk about prices when we see hundreds of people striving to purchase these products. Yes, there is a price problem. However, there is also another problem—some people have money in their pockets while others do not.

[Recio] Talking about prices and people's reactions, I would like to warn that this is not a state market, in the manner in which the state and the market were linked before. This market is regulated and organized by the state, but it is not a state market. These markets are made up of producers, who are exercising their fiscal rights by taking part in the markets. I say this because many people have the same reaction they would have with a parent—someone who protects them. In this case, the state's responsibility is to regulate these markets, but it cannot obligate anyone to establish a price.

[Santana] Excuse me, the state is the one that fixes prices?

[Recio] No, not at all.

[Santana] Then what does the state regulate?

[Recio] The state regulates the taxes that are to be paid, the rent to be paid for the stalls, the rent to be paid for the refrigerators, and conducts the entire process. The state enterprises that take part in the farmers markets should base their prices on more efficient work, with less cost and more production, but never setting prices artificially. That is not the solution. I wanted to point that out because there are two things on a Cuban's mind when he goes to buy something: [pauses] When a buyer goes to the black market, he is pliable and docile. He even thanks the black market exploiter, who has probably stolen the product. He has a very friendly relationship with that individual who is selling him something at a much higher price. From my point of view, that is unfair. Later, that person goes to buy something at the farmers market from a man who has worked the soil, a man who has broken his back, a man with dirt all over him, and who also has problems, but continues to work and produce. But the buyer becomes, to put it mildly, ill mannered. We must understand that the producer also has problems. That man will lower his prices as soon as he sees that there are other producers lowering their prices. Why, because there are more products for sale and he will sell more.

[Santana] I think that is an important point—the manner in which to conduct oneself to achieve a reduction in price. I do not want to appear an extremist, but I think that it is good for prices to be high. If prices are not high, then the so-called intermediary would appear, buy large amounts of products, and later resell them at much higher prices. I think that prices should be high.

[Sexto] I think that we should aspire to having enough production to force prices to drop so products can be obtained by everyone. Initially, we will have to put up with high prices because as we stated before, current production is bleak. There are very few products on the market, and if the farmers markets are governed by the supply and demand system, this means that prices are going to be high. We must also follow Renato's reasoning: At the farmers markets the buyer has the advantage of competition among producers. The participating producers are competing among themselves and they compete in prices as well. In the black market, the buyer is defenseless; he does not have any allies among other black marketeers. What Cuba has done is grab the bull by the horns by ousting the black market and legalizing the farmers markets—A free participation market that offers products based on the supply and demand system. That is a benefit to everyone. We will all see how many good things for our economy are going to stem from these farmers markets. If you want to buy more, you are going to have to work more. That is where we must begin—I have to work more to be able to buy more. I think that we will have to talk about this on another program.

[Santana] We still have a minute left. I would like to ask Eloy if he thinks that between Saturday and Sunday the black market has been eliminated?

[Concepcion] I do not think that the black market has been eliminated. However, my example is that in Havana City, rice was priced between 15 and 20 pesos on the black market and on occasions even as high as 25 or 30 pesos. At the farmers markets, the price of rice started off at 15 pesos and in several markets that I visited the price dropped to 10 pesos. Why is that? Well, true we are at the end of the month, but the participation of rice producers, those producing on individual plots of land and in self-consumption areas has been sufficient this year. The price of rice tends to drop. Is that not a hard blow for the black market? They had their prices at 15, 30, 40, and even 50 pesos. They would charge 40 to 50 pesos for a pound of rice and always around the end of each month. I think that one of the first benefits for Havana City derived from the farmers markets has been the price of rice. The price of rice has dropped to eight and 10 pesos. We must be aware of this advantage.

[Santana] Are the farmers markets a hard blow to intermediaries?

[Concepcion] I am not worried about intermediaries. I call them messengers. If there is a group of people that does not want to go to the market and buy from an agent, officially... [pauses] Any agent can go to the market and buy products for later resale. This does not worry me, an honest and legal intermediary, any man who wants to work can do so.

[Santana] Our time is up, I think that we can continue to discuss this issue tomorrow.

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Further 'Straight Talk' on Markets

FL1110004294 Havana Radio Rebelde Network in Spanish 1600 GMT 5 Oct 94

["Straight Talk" program with Eloy Concepcion and Renato Recio from TRABAJADORES newspaper, Luis Sexto from BOHEMIA magazine, and host Carlos Santana—live or recorded]

[FBIS Translated Text] [Santana] What role will the farmer's market play in the reactivation of the economy?

[Concepcion] The questions are broad and numerous. We have opened the farmers' markets with the voluntary participation of individual growers, farmers, state institutions such as Basic Cooperative Production Units [UBPC's] and farming cooperatives, and self-sufficiency sections of organizations and enterprises. This implies that these institutions and individual farmers are going to make a profit. The question I pose is: How will this profit, this money, be invested in the forthcoming months? We think the farmer's market might become a hub for reactivating domestic commerce. However: How? My opinion is that in forthcoming months we will see a reactivation of industry, services, and food services in areas linked to the farmer's markets. Renato, what do you think?

[Recio] The first thing the farmer's market might influence is the reactivation of labor. In other words, the people will have to work more than they have up now. This, repeated throughout the entire Cuban labor realm should have a very positive influence on labor discipline, interest in a job—we all know that in this country no one cares about losing a job, or getting one, or another, etc. Of course, the organization of labor and productivity should generally increase if the trend in the farmers' markets continues to be positive. What Eloy said is extremely important. The farmers who today receive an income should have the opportunity to invest that money in products he needs. For example, the farmer who produces miscellaneous crops can grow a large number of tubers, but does not have shoes, clothing, rubber boots, or even agricultural implements; He might need fuel, kerosene cook stoves, etc., an entire spectrum of miscellaneous products, as well as rum and leisure items. Logically, as Eloy said, the problem lies—and it is a complex problem—in increasing production aimed at those farmers. This is essential.

I wish to bring up an example that I believe is very interesting. Goats and rabbits are being sold in these markets. The skin of these animals can be worked into leather. In every city, there are a large number of craftsmen, such as self-employed workers, which as you know, has been authorized. Yet, they lack many of the raw materials needed to do their work. For example, in the area of leather, a number of items—shoes—could be produced. The farmers need those shoes. The rabbit or goatskin he sold might return to him in the form of shoes. This is a basic manifestation, perhaps too simple, of how this intereconomic movement might operate.

[Santana] Luis, I do not know if you agree with me, but I think that Eloy and Renato are being too optimistic about the problems the farmer's market is likely to solve and operate under this manner.

[Sexto] We must always be a tad careful, or conservative, when it comes to analyzing where these processes might lead. I believe that the farmer's market is not a magic wand, but it is a wand which although not magical, in the future will play a role in the Cuban economy—it will reactivate it. I am one of those convinced that every human hope emanates from and converges on the market. The market is essential for life. One cannot turn one's back on the market. This has an effect on human society. I believe that when the first cities were built, the first space was that of the market. In other words, the market is important to human life and we cannot be foreign to the market. I believe that Lenin, regarding the new economic policy in Russia, also discussed the role of the market in society.

[Santana] Well, if this market is such a good thing and is going to reanimate the economy, why wasn't it done in the past? Many people are wondering this.

[Concepcion] I do not think there is a need to discuss the past; we need to focus on the future, the immediate future. I am of the opinion that yes, we are going down a risky path, Raul said. It is a risk to solve the finances of the population. I believe the worst risk is for the people to have problems with the food supply as has been the case these past years. However, I am convinced, but not overly optimistic, as Luis described me. I am optimistic but I am also realistic; my feet are firmly planted on the ground. I can give some examples of the last 24 hours. An Havana UBPC, which owes 200,000 pesos, sold 78,000 pesos on its first day in the farmer's market. I believe this strongly encourages production. I mentioned at the beginning that I believe the key is the capacity of state's industrial superstructures, and light industry might develop.

Here we have forgotten about cobblers. I know that there is a lot of leather—not the example he mentioned—but leather from cows and oxen, which are slaughtered for various reasons by the state to meet the population's ration for children and the elderly in hospitals. This leather is stored in warehouses in Camaguey and Havana and in every province. Why can the state not reactivate its enterprises, light industries, and food industry? I believe this can be done. We cannot let the blind law of the farmer's market take the lead. The lead must be taken by controlled, directed, organized markets, which will compel state enterprises, services, and industries to reactivate the economy. Otherwise, the farmer's market will also fail.

[Recio] Allow me to give you more examples. There is no doubt that Cuba has a potential production capability

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called secondary or marginal production because it is based on the residual materials of primary production. At this point in time, I am convinced that despite the decline in the primary production sector, and therefore the drop in residual materials, those materials are not being used to the best advantage. I believe that the full and complete use of residual materials from primary production would be the equivalent of self-sufficiency programs in the agricultural sector. I am convinced that the importance of producing must be promoted in the workplaces. There are customers for this market since the farmer's market is already promoting demand from agricultural producers. This can work as a sort of second salary for workers—for example, a factory worker who has a small farm for self-sufficiency consumption. When food is distributed to workers, it is equivalent to a salary; also, in industrial centers that do not produce agricultural products for marginal production—plastic, metal, wood by-products, etc.—this can also become an incentive for production. We all know absenteeism is over 10 percent, or seven or eight percent even in fully active work centers. Logically, if you are given the possibility of spending your salary on products you need—for example, at the farmer's market—then you are more in need of going to work everyday, you cannot afford to miss a day of work on a whim.

[Santana] Luis, would you be against the state establishing stores in the countryside to sell certain essential products to agriculture workers?

[Sexto] Last year, when the UBPC's were created, we commented that it was necessary to begin thinking about establishing a market for those workers who were becoming the owners of the production because those workers needed to reinvest all the money they were going to earn back into their work. We said this a year ago. I believe this is essential, imperative, and cannot be delayed. I work in order to consume, and the producer expects to meet my consumption needs, but he is also a consumer. We have to keep this in mind.

I want to go over Santana's question: Why was this not done before? I believe this was not done before, first of all, because our agriculture needed to be reorganized. I believe this has been achieved. In order to unleash the productive forces, all that was missing were decisions on the market. However, this could not have been done before turning the state land into cooperatives because in our agriculture's current condition, its lack of resources, the need for the workers' efforts to replace other elements....

[Concepcion, interrupting] I want to say something. We must not confuse what is ideal with what is necessary. I believe that many Cuban revolutionaries share the idea that the market is not precisely a humane ideal. It is not a reverie of humanism. The market results in inequalities, problems, encourages selfishness and avarice. However, right now, the market is a solution; before, it was not so as much as now. Now, the fact that we are resolutely establishing markets does not mean that we have to worship the market.

[Santana] Do you think that this market will solve all the critical food problems the population is experiencing?

[Concepcion] I believe the food problem is going to be solved if the farmer's market is capable of encouraging production, and getting people to go to work and be more productive, and also if the state is capable of reactivating other sectors of the economy related to the market.

[Sexto] I believe that a well-directed market is not against society; it might benefit it. This is what it is all about, to turn the market into a positive force for society, into an incentive for production.

[Recio] Anyhow, I believe that a revolutionary society, a society in a constant struggle for its independence, must do whatever it has to do whenever it has to do it. I sincerely believe that this move toward the farmer's market is a response to a need.

Rosales Stresses Need To Participate in Solving Problems

FL0710142294 Havana Radio Rebelde Network in Spanish 2300 GMT 4 Oct 94

[From the "Exclusive" program]

[FBIS Translated Text] The work done in 1994 in the Revolutionary Armed Forces teaching history and a patriotic military and internationalist education has been analyzed today in a meeting in Havana City, presided over by Division General Ulises Rosales. The premise of the meeting was that patriotic education is not something that is merely a part of training, but a process that develops the spirit. This meeting gave a positive evaluation to the work done in both fields; however, emphasis was placed on deficiencies and insufficiencies that still exist. With regard to this Rosales stated:

[Begin Rosales recording] We know there are many problems to overcome, especially, those that have to do with routines and formalism. Comrades, we must confront this, but we must do it together. Every time we do not agree with something that is being said to us, we must protest. We must react, but not just for the record, we must participate in solving the problem. We must provide our creative ideas for solving the problem. This is a task for everyone. There will not be magic words from above. This is a task for the people, for the masses. [end recording]

Rosales went on to state that one of the most serious problems is that patriotic military education is not a priority task in many of our institutions, organizations, and officers. Rosales pointed out that there are sectors and historic sites that sponsor schools and that much

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work has been done during these difficult times. However, the results do not always correspond with all these efforts. Rosales stated that without disregarding the necessity to broaden the scope of this education, we must use what we have to its fullest.

Ross Stresses Need for Sugarcane Groups To 'Work More'

FL0710142194 Havana Radio Rebelde Network in Spanish 2300 GMT 6 Oct 94

[FBIS Translated Text] Politburo member Pedro Ross, secretary general of the Cuban Workers Federation [CTC], underscored that the response that the country needs in its main industry—the sugar industry—is in the hands of the Basic Cooperative Production Units [UBPC]. He stressed that they need to struggle to achieve discipline and to find new solutions to the existing problems. Ross made these statements in a meeting with the members of the Bayonra and Romana Siete UBPCs, both from Contramaestre, which are dedicated to sugarcane production. Ross stated that in order to have more sugarcane, food, and housing, and a higher living standard we must work more. With regard to the need to work an eight-hour day, Ross pointed out that this phenomenon can be seen throughout the country, an aspect highlighted in the two collectives' reports to their respective assemblies for economic efficiency. The cooperativists called for strict compliance with the UBPC regulations, better work organization, and the control of the different tasks.

Sugar Minister Urges 'Comprehensive Controls'

FL0710153594 Havana Radio Progreso Network in Spanish 1100 GMT 7 Oct 94

[FBIS Translated Text] Sugar Industry Minister Nelson Torres called for comprehensive controls in the upcoming sugarcane campaign in order to attain an increase in production. Torres spoke in Havana at a national meeting of chiefs and specialists of Cuban Mills laboratories.

Sugarcane Industry Continues Economic Decline

FL1010225894 Havana Radio Progreso Network in Spanish 1234 GMT 10 Oct 94

[Editorial published by TRABAJADORES newspaper; read in the "First Thing" program]

[FBIS Translated Text] TRABAJADORES newspaper, on 10 October, carries an editorial entitled, The Short Intensive Harvest Cuba Needs. The text reads:

According to official information, 15 of the 21 industrial sectors in Cuba are showing signs of economic recovery in 1994. Financial recovery is underway, food production is a priority, farmers markets have created a new way to increase supply, and tourism continues to develop at a rapid pace. The sugarcane industry, however, has not yet been able to stop the trend toward economic deterioration, and the enormous weight of this sector affects the entire Cuban economy, which in essence does not reflect the required global recovery signs needed to end the special period.

There is no point in making a detailed analysis of the objective causes of the decline in production of our major economic product. It would be unfair, however, to ignore the fact that the agricultural sugarcane industry has suddenly been forced to produce, using one fourth the materials once required, and that the cumulative effect of these shortages is a burden on agricultural yield and industrial efficiency.

However, the Sugar Ministry's cadres, the union, and all the sectors' workers should know by now that the only way to acquire more fertilizer, fuel, spare parts, transportation, industrial equipment, and better living and working conditions is to increase sugarcane production. The rest is a vicious circle, the spiral of decline producing less within each cycle because fewer and fewer supplies are available.

Forced to face objective difficulties with new work methods and better use of information and discipline, men's actions are decisive in breaking that vicious cycle. Therefore, despite this year's low yield from sugarcane plantations, one can look forward to a more efficient harvest than the last, if we can learn to correct and learn from past mistakes.

The Sugar Ministry's plan is for a short, intensive harvest during the optimal period of sugarcane yield, with every mill working at full potential. If this goal were to be achieved, the harvest—even a relatively small one—would be successful based on the maount of sugar produced. Mills operating for over 200 long days during the previous harvest will now have to shut down operations for a certain number of working days if they are to operate efficiently. Industrial yield should therefore increase, at reduced costs, and workers could therefore begin early with the essential work of planting, weeding, and tending sugarcane plantations.

Skeptics may be doubtful. The sugarcane industry this year had more material resources. The low-yield plantations will again make the work of machinery and men difficult.

By what criteria can the sugarcane sector tell the people that the next harvest will be more efficient, shorter, with more milling, and with a minimal amount of time being wasted on harvesting and in the factory? The sugarcane industry can count on a change in the cadres' attitude and a more useful and organized operation of all the institutions in Cuba. It can also rely on a productive response from the sugarcane workers who will better respond if an orderly, rational, and disciplined atmosphere prevails within the various stages of the sugarcane harvest and industry.

The results of the next sugarcane harvest will show Cuba how the sugarcane sector workers, union leaders

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included, have responded to criticism by the Revolution's leadership regarding lack of foresight, methodology, spirit of justification, routine mentality, lack of receptivity to criticism, and self criticism with regard to economic and technical direction.

The sugarcane battle calls for everything to be anticipated in advance. It calls for quality control in the repair of agricultural and industrial machinery by the most expert and most honest workers; and for the mills' directors to promote constructive criticism and to reject self-serving pretexts regarding repairs.

This current year—this is being said everywhere—machinery is the key factor. Harvest organization needs to revolve around the maximum use of mechanized cutting. The Basic Cooperative Production Unit [UBPC] efficiency assemblies need to show that economic losses occur when units cannot fully utilize the productive potential of the mills, and are thus forced to mobilize workers for manual sugarcane cutting. With this analysis as a starting point, it is possible to understand the importance of high quality repairs, of stocking spare engines and those parts with a high risk of breakage, of recruiting the more expert workers and providing them with the best care, of coordinating without failure the work of the mill and transportation, of hiring and mobilizing innovators and the experts program [Manos de Oro], who are capable of solving any technical difficulty that might occur.

It is necessary to set aside bureaucratic rules in the efficiency assemblies to promote workers' discussion—timely, inspirational, and fertile—to determine what each machine should cut to meet the daily quota promised the mill.

The short, intensive harvest we desire asks the union movement to mobilize higher numbers of macheteros than in recent years, and to work nonstop for the efficiency of mechanized sugarcane cutting, which reduces mobilization, costs, and human effort. There can be no carelessness on either front. The union needs to provide macheteros where and when they are needed. Machines that break down or are not properly used indicate an inefficient leader, and a union's worth of criticism.

It is October now, four months before the sugarcane harvest's peak. There is enough time to avoid entrapment by the justificiation routine of provinces, mills, Basic Cooperative Production Units [UBPC's], industry workers, and macheteros, which leads only to a downward spiral. There is enough time to create the organization and highly spirited conditions that guarantee success, success that the Revolution and the people demand, and for which Cuba is waiting.

This is no time for spectacular results measured in grand sugar volumes. It is time, however, for the country's most important producers to demonstrate their power to improve and contribute with their enormous energies to the recovery of the Cuban economy.

TV Commentary Notes Sugarcane Industry's Problems

FL0810114894 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 8 Oct 94

[Commentary by Juan Varela Perez; from the "NTV" newscast—read by announcer]

[FBIS Translated Text] Weeds may cause problems for the sugarcane complexes, but they are not the only reason production and the volumes that are available for grinding have dropped. Correspondent Juan Varela Perez confirms this in a commentary for this news program: Weeds certainly have plagued the cane for a long time, robbing the soil of its nutrients and interfering with the cane's development. However, the amounts planted are insufficient. Replanting does not seem to help make up the difference and having to replace sugarcane seed due to noncompliance with the planting programs makes the situation very difficult. In addition, the soil has not been prepared properly. The process has been technically violated in many case. The low-quality seed that has been used does not comply with health regulations, including the heat treatment regulation. Varela says in his commentary: Administrators of the basic cooperative production units [UBPC] agree that the drop in UBPC agricultural production is unjustified, even though fertilizers and other materials are scarce. We cannot just sit around now. Everyone has suggested ways and means to turn today's difficult situation around based on a year's worth of experience. All sugarcane workers must dedicate at least eight hours a day to their work. All bureaucratic obstacles to the use of existing resources must be eliminated. We must cast off some of the vices that were inherited from the old farms and concentrate on saving the sugarcane, the heart and soul of sugarcane production. The alternative is to consolidate the action of the regular workers and complete the UBPC work force. We will then see that we can have an oustanding sugarcane harvest even without fertilizer.

Expert Says Economy To Hit Bottom in 1994

PA0710170894 Madrid EFE in Spanish 0016 GMT 5 Oct 94

[FBIS Translated Text] Havana, 4 Oct (EFE)—The Cuban economy will hit rock bottom in 1994, which would mean the end of a falling process affecting all economic activities. This is according to study published in the "CUBAN ECONOMY" bulletin.

An article by Alfonso Casanova Montero, director of the Center for Cuban Economy Research [Centro de Estudios de la Economia Cubana, CEEC], indicates that import revenues in 1993 reached $1,7 billion. Casanova is an economic adviser to the Cuban Government.

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The article says the EU is an important business partner for Cuba, as trade reached almost $900 million during 1992, which was 21.4 percent of the island's total. Almost 86 percent of total EU trade is concentrated in five countries (Spain, France, Italy, the United Kingdom, and Germany).

Cuba's major commercial partners in Latin America are Mexico, Brazil, Venezuela, and Chile; in Asia there is China and Japan, with $425 million and $100 million respectively. Canada, in North America, registers over $300 million. The author believes areas such as nickel, steel, fishing, citrus fruits, tobacco, and construction materials will show a significant recovery during the year.

Sugar, which has traditionally been known as the country's leading industry, recorded the lowest harvests in three decades in 1993 and 1994, with harvests of 4.3 and 4 million tons. According to several experts, next season will register similar quantities.

Based on official estimates, tourism will contribute higher revenues than the sugar industry this year, possibly reaching a gross income of $900 million.

Nevertheless, a critical issue for strengthening the economy will be economic and financial review, where there is a significant and increasing imbalance. He believes stability can be attained in one or two years with a series of fiscal and monetary policy measures.

Minister Explains End of Subsidies to State Enterprises

PA0710201494 Havana PRENSA LATINA in Spanish 0519 GMT 5 Oct 94

[By Elsy Fors]

[FBIS Translated Text] Havana, 5 Oct (PL)—Cuba, a paternalist state, is preparing for a transition to a system in which the people are responsible for the country's fiscal health and contributing to economic recovery.

Minister of Domestic Trade Manuel Vila Sosa mentioned this concept of inverted protectionism while explaining the end of subsidies for state enterprises and how they will have to compensate for the reduced income.

In a news conference with local reporters, the minister said that he expects one of the effects of the farmers markets, which opened this weekend, will be to see state enterprises selling off surplus production and excess properties and assets at these open markets, to try and compensate for lost government subsidies.

According to the Ministry of Finance and Prices, in 1995, state corporations will receive only 40 percent of the subsidies they received this year. It is expected that said subsidies will be all but nonexistent in 1996. This will force corporations to seek profitable levels or close down altogether.

Vila Sosa highlighted the private enterprise nature of the farmers markets, which opened last week across the country.

Several forms of taxes went into effect in Cuba on 1 October, as established by Law 73, which governs the fiscal system. Dues include personal income tax, document registration, and processing fees, tariffs for broadcasting advertisement messages on state media, and airport service tax for passengers on international flights.

Although the law includes taxes on all personal income, the National Assembly of the People's Government agreed not to impose the tax on people's salaries for the time being. Income from self employment will be taxed using the quotas registered with their operation permit, which certifies their status, and will vary according to the income received for their activity.

Rafael Gonzalez, vice minister of finance and prices, said that the tax system, a concern that was absolutely nonexistent for over 30 years, should be seen as giving away a little of one's individuality for the benefit of others and that, contrary to what most think, it enhances social justice, because those who make more are the ones who contribute more.

Among other fiscal reform measures directed at reducing projected budget deficit of 4.2 billion pesos for 1994 and a cash surplus of over 12 billion pesos at the end of the first quarter of 1994, are surcharges on [sentence as received]

Tobacco Director Discusses Domestic Distribution

FL0910234994 Havana Radio Rebelde Network in Spanish 1155 GMT 5 Oct 94

[Interview with Andres Gonzalez del Pino by correspondent Pepe Suarez from the "Doing Radio" program—live]

[FBIS Translated Text] [Suarez] We are nearing the conclusion of our report on the lack of distribution to shops and establishments in Havana City of regular-ration, extra-ration, and unregulated tobacco. This is why we have here with us Andres Gonzalez del Pino, director of the provincial tobacco, cigarette, and match distribution enterprise in Havana City.

Andres, evidently, tobacco crops are depleted. There is not enough prime material for export or for national consumption. This does not mean that production for national consumption has been channeled for export, not at all. We cannot comply with all the export contracts. However, when the regular rations, which are authorized to be received through the ration booklets, as well as extra rations, which is the quota certain people receive at a different price once they have reached a determined age, take place, how is the distribution in Havana City going to be, bearing in mind the supply you have? For example, why was only the regular ration quota distributed in August? Why was the extra ration

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not distributed in August? Inform our listeners of whether they are going to receive the regular ration quota, which is owed to them.

[Gonzalez] We heard the program this morning. The information we have from the producers coincides with the information you have been providing. Our enterprise's activity is to distribute nationally-produced tobacco and cigarettes in Havana City. From August to date, the tobacco industry has been having difficulties supplying tobacco to Havana City. As you have already stated, Havana City is not a national production center for tobacco. Havana City's tobacco comes from Cuba's central region.

[Suarez] Who gives you the tobacco, ATM de Cuba Tabaco?

[Gonzalez] ATM de Cuba Tabaco is the supplier in Cuba for tobacco and cigarettes.

[Suarez] How much is pending to complete August's distribution?

[Gonzalez] We owe 853 units of August's extra ration tobacco for distribution. We have very strict controls. We know exactly how much is given to each unit and what each consumer should get.

[Suarez] How much tobacco is that?

[Gonzalez] That is 385,050 [units unspecified] of extra ration tobacco, which we owe from the August distribution.

[Suarez] How are you going to pay this back? You have no stock available.

[Gonzalez] The comrades from ATM Cuba Tabaco have committed to bringing to Havana City 2 million tobacco [units unspecified], to enable us to distribute the pending extra rations. However, they have not been able to achieve this goal. From September's distribution, we owe 815 units: that is 369,508 regular ration tobacco [units unspecified].

[Suarez] You are speaking of regular rations, because the authorities decided that in September there would be no distribution of extra rations. How much regular-ration tobacco did you say you owed?

[Gonzalez] We owe 815 units, which is 369,508 tobaccos.

[Suarez] We must conclude because I believe we are running out of time. However, I would like to leave you with something to consider: In October the distribution enterprise does not have any tobacco to distribute. We will contact the authorities at ATM to find out when Havana City's next shipment of tobacco will be.

Lage Urges Increased Tobacco Production Efforts

FL1110012894 Havana Radio Rebelde Network in Spanish 1700 GMT 8 Oct 94

[From the "National Radio News"]

[FBIS Translated Text] Carlos Lage Davila, secretary of the Executive Committee of the Council of Ministers has called for every available plot in Pinar del Rio to be planted in tobacco.

The call was issued during a comprehensive analysis of the tobacco campaign in Pinar del Rio, which is behind schedule in many essential tasks. Before the meeting, representatives of the Ministry of Agriculture and the National Association of Small Farmers visited tobacco fields. Carlos Lage, speaking about the most controversial issue of the meeting, the recovery of lands traditionally used in tobacco farming, stressed that it is vital for Cuba that this be done as quickly as possible.

[Begin Lage recording] We must not only endeavor toward higher production, but toward an efficient harvest, and great efficiency in tobacco production in the province. [end recording]

Cuba has invested over $40 million in basic resources to guarantee tobacco production. Now it is up to the tobacco harvesters to guarantee the required production volume to repay the debt and attain revenues, allowing further development of the tobacco crop.

Power Authority Provides Update on Electricity Supplies

FL0710221394 Havana Radio Reloj Network in Spanish 1959 GMT 7 Oct 94

[FBIS Translated Text] The average online power output between 29 September and 5 October was 1,420 megawatts, with a maximum demand of 1,490 megawatts and a deficit of 460 megawatts. The national power authority reports that this balance is similar to the previous week but with a reduction in the deficit. It is expected that the system will produce 1,400 megawatts from 6 to 12 October. Unit four of the Carlos Manuel de Cespedes plant, in Cienfuegos Province, will be off line during this period. The Japanese-made unit is scheduled to undergo 100 days worth of maintenance. Unit two of the Santa Cruz del Norte plan and unit four of the Regla plant are scheduled to come back on line during the period.

Prieto Discusses National Culture, Tourism, Economy

FL0710171494

[FBIS Editorial Report] Havana Cuba Vision Network in Spanish at 0203 GMT on 5 October carries live its "Open Agenda" program with host Antonio Resillez and guest Abel Prieto, Politburo member and president of the National Union of Cuban Writers and Artists, UNEAC.

Resillez begins the program by stating that saving Cuba's culture seems to be a priority and asks if it needs saving at all. Prieto states that the concept behind this is the idea of saving our fatherland because culture is the best way to relate to Cuba: "Saving culture we save Cuba."

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He adds: "Culture should be saved from the danger of having any of the basic programs affected due to the lack material resources. We must try to find resources or self financing mechanisms that will keep any of these projects from being affected."

Prieto states: "We also need to save culture from other problems, such as mediocre pragmatism. A primitive idea of human needs could lead us to postpone the cultural and spiritual needs." He adds: "Therefore, there are material dangers which threaten culture, and others which are related to the psychology of the reality we are living."

Resillez and Prieto go on to comment on the recently concluded UNEAC national council meeting, which took place in Havana City, where the main issue debated was the need to preserve Cuba's heritage.

Prieto goes on to talk about the new cultural trends and how they can extinguish a nations culture. He adds: "There is a big pseudocultural trend, the so-called post modernism, which has its origins in the right wing, and whose goal is to mutilate the heritage of the nations, despite their many positive contributions to the arts."

Prieto states: "The golden dream of the annexationist of Cuban origin and the sectors of power in the United States that still have the thoughts of absorbing Cuba—imagine how they would like to see us floating around without history or tradition. They would like us to lose the path, the path of Marti, the path that has brought us to where we are today."

In addition, Prieto states: "We need to work so that the younger generation receives a fresh heritage, with all its productive contradictions, which could provide good lessons to be used nowadays." He adds: "There have been some mistakes in the past, such as popularization in the teaching of history, and all this is being revised. A new approach is under way, and art can play a very important role."

Resillez asks if there is risk for Cuban culture to become commercial, or what some people call a risk of culture's dollarization.

Prieto states: "It would be naive to believe that culture could stay on the fringe of this reality we are living. However, there have been changes in the way culture is perceived. In the past, we compared the culture sector with others such as education and health care which needed to be subsidized. It was almost a sin to associate culture with money. The current perception could be positive, in that some areas of culture could now contribute to the economy, while others will still be subsidized, such as libraries,etc." He goes on to point out the names of some cultural institutions which produced profits.

Resillez and Prieto go on to discuss the fact that certain cultural areas need more promotion and how the growth of tourism in Cuba affects culture. Prieto says: "The Revolution has produced exceptional artists, however, there has not been a parallel system to produce promoters."

Regarding the correlation between tourism and culture, Prieto states that recently an accord has been signed between the ministers of Culture and Tourism, Enrique Hart Davalos and Osmany Cienfuegos, respectively, through which cultural aspects are to be present within the tourist sectors. Prieto points out that already many Cuban artists have taken part in the decoration of many hotels in Cuba.

Prieto goes on to comment on the international image of Cuban culture and the role that it plays in many areas: "We need to integrate tourists into our cultural life, instead of creating an artificial culture just for them."

When asked about challenges and goals of UNEAC he states: "We must continue to discuss a more coherent policy where all specialists have an important role in the decisionmaking. This is a long process and we have gone somewhat astray. There has been improvisation. An artistic market is a new experience. It is a market that is highly specialized. Cuban promoters must focus on their own, their institutions, and the artist's interest."

Resillez and Prieto go on to discuss the issue of some Cuban artists that are currently living abroad, in Latin America and Europe. Prieto states that there are many of these artists that maintain a link with Cuba. He adds: " There are people that are very good and show solidarity. They are helping solidarity movements, our missions abroad, and they are permanently linked to us. Our policy is not to disrupt this communication and not convert this into a political issue and maintain open communication with these people. However, we concentrate on those artists that are here."

Resillez ends by thanking Prieto for his participation in the program, especially because he is suffering the flu.

Artists Union President on 'Threats' Infiltrating Culture

PA0810035694 Havana PRENSA LATINA in Spanish 0526 GMT 5 Oct 94

[FBIS Translated Text] Havana, 5 Oct (PL)—Abel Prieto, president of the National Cuban Writers and Artists Union (UNEAC), has pointed out the threats infiltrating Cuban culture: the dollarization of the economy, mediocre pragmatism, and the adulteration of the arts.

During a prime time television appearance, the Cuban writer outlined some of the main issues discussed at the recently held UNEAC National Council, which addressed the challenges faced by our culture amid the existing economic difficulties.

"The dollarization of the economy is a real threat," Prieto said, commenting it was almost a sin a few years

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ago to "link the vile currency" to fields entirely subsidized by the state, but the existing shortages, he said, are forcing certain lines of business to finance themselves.

According to him, this change of thought calls for the improvement of a "very fine dialectics" that would prevent the commercialization of the arts. He added that the arts, in addition to self-management, could also significantly contribute to the national economy.

He said that while certain institutions dealing with music and plastic arts already had positive results, such sensible areas as art education and the network of libraries could not be conceived without state subsidies.

As Prieto deeply examined other creative risks the country is running, he spoke about "mediocre pragmatism," which, he maintained, could lead us to postpone the Cubans' spiritual needs in favor of their material needs. This thought is linked to his belief that "culture is the most natural manner we have to sense the nation" and is connected to the claims made by the government and the academic sectors to save the fatherland and preserve the nation's memories and history.

He also said the country is facing a renewed annexationist offensive controlled from abroad amid a reactionary wave aimed at mutilating the peoples' memories.

Meanwhile, he criticized what he dubbed "self-induced exoticism" [autoexotismo], which he summarized as the request for "not dressing up like Indians," a method used in certain tourist circles to lure foreign visitors.

Prieto refused to accept the growing phenomenon of many artists who have left to live abroad due to simplistic formulas, because, he explained, although some do it to "escape" from the hardships, many others keep expressing their solidarity with Cuba.

In addition, he said others left unhappy with the publicity foreigners were making about Cuban institutions; others are sending foreign exchange to the country, and yet others are becoming wealthy, materialistically speaking, while belittling themselves spiritually.

The writer spoke about the Cuban culture existing abroad, saying the process that began in the 1980's, which consists of recovering the precious pieces created by the emigres—he listed the cases of Lydia Cabrera, Jorge Manach, and Lino Novas—will continue, albeit without the "swerves" that exclude those who stay in Cuba to create for their people.

As the leader of an organization grouping 3,800 members nationwide, Abel Prieto said very few people agree to play the dirty game of requesting political asylum, and he recognized that the hostile stations transmitting off Cuba will fill the gap left when the local media stops reporting on this issue.

Decree Law 154 Establishes Divorce by Notary

FL0710155294 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 7 Oct 94

[Report by Maribel Puerto; from the "NTV" newscast]

[FBIS Translated Text] Decree-Law 154 on divorce by notary will become effective in November. Currently, the only way a couple can obtain a divorce is to go to court. However, starting on November 17 there will be another option: divorce by notary.

Doctor Isabel Acevedo, director of the Justice Ministry's Notary Registry, explained that the law will apply only in cases of mutual agreement.

[Begin Acevedo recording] The law guarantees, specifically, that when all the conditions are met, the notary will have a period between 24 hours and 15 days to finalize the divorce. For example, if a couple files for divorce today, depending on the characteristics of their particular case, the divorce decree will be issued somewhere between 24 hours and 15 days. [end recording]

Divorce by notary will cost 80 pesos, the same as if the couple had gone to court. The couple will apply for divorce directly at the notary and both parties do not necessarily have to be present if both of them have already agreed on the legal aspects of the divorce. This is possible because divorce by notary applies only when there are no litigation issues.

Customs, Ministry Personnel Take Antinarcotics Course

FL0710234494 Havana Radio Rebelde Network in Spanish 1700 GMT 7 Oct 94

[From the "National Radio News"]

[FBIS Translated Text] Argentine specialists are in Havana to teach the first international course on fighting drug trafficking. The course is scheduled to end on 7 October. Marieta Cabrera reports:

[Begin recording] [Cabrera] Instructors will teach Cuban customs specialists the most modern techniques in the fight against drug use and trafficking in Latin America and the Caribbean. The course is being taught as part of an agreement between the Cuban Drug Commission—an arm of the Justice Ministry—and the Argentine secretariat responsible for preventing drug use and trafficking that was signed in June 1994. Dr. Eduardo Gonzalez, an employee of this secretariat, commented on his work.

[Gonzalez] This is part of a successful and continuing program of sharing information with Cuban specialists. Cuba has a special geographical position, located between Colombia—one of the world's major cocaine producers—and the United States—the main consumer. This geographical position makes Cuba particularly vulnerable. However, Cuban authorities are taking steps.

[Cabrera] Approximately 30 customs specialists and employees of the Justice, Interior, and Public Health Ministries are taking the course. Luis Santiago Fernandez, professor at the Cuban School of Customs Training, offered his views.

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[Fernandez] The course brings one fundamental issue to our attention: Cuba faces a problem that Argentina has already faced. Argentina was a transit point for drugs and had a consumer market. Cuba must be prepared, for this could happen here in four, five, six, or seven years, nobody knows. The explosion could come at any time, particularly with the Cuban economy and tourist industry opening up to Latin American countries which, unfortunately, traffic and harvest drugs.

[Cabrera] The Argentine specialists have taught similar courses in Costa Rica, the Dominican Republic, Nicaragua, Guatemala, and Jamaica. [end recording]

Fidel Castro Compared to Carlos Manuel de Cespedes

FL1110031294 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 11 Oct 94

[Report by Adan Morel, in Granma; from the "NTV" newscast]

[FBIS Translated Excerpt] The Cuban people today observed the glorious anniversary of the Demajagua uprising and rendered tribute to Carlos Manuel de Cespedes, the father of the fatherland, who began the Revolution in 1868.

Carlos Manuel de Cespedes took up arms against the Spanish Government and in his manifesto, issued on 10 October 1868, proclaimed Cuba's hope of becoming a grand and civilized nation that would extend a friendly hand and fraternal heart to all other peoples.

Today, at a crucial period in Cuba's history and of the Revolution begun by Cespedes in the previous century—as our commander in chief said—the people of Granma Province gathered at La Demajagua to reaffirm their commitment to defend the just cause of the Cuban nation.

Jose Ramon Balaguer, Politburo delegate to Granma Province, addressed a large crowd on what has been accomplished and the reasons we are called to continue the struggle begun by Cespedes.

[Begin Balaguer recording] Looking back at that beautiful and intense history, is there anything more just than calling Cespedes the father of the fatherland? He gave himself fully to the cause of independence. He loved his people, whom he saw united, and thus liberated his slaves. He showed us the way, and for this, today we all feel we are his children.

If I were to see him alive today, I would see him dressed in olive green, and with a bear, and I would say to him: Fidel! Because you, Carlos Manuel, are Fidel! Because you, Fidel, are Carlos Manuel! [applause] [end recording] [passage omitted]

Dominican Republic

Haitians Warn Against Presence of Francois

PA1010182194 Madrid EFE in Spanish 1724 GMT 10 Oct 94

[FBIS Translated Text] Santo Domingo, 10 Oct (EFE)—The presence of the former Haitian police chief, Joseph Michel Francois, in the Dominican Republic will allow him to promote the destabilization of the Haitian democratic process, a group of Haitians based here warned today.

"Relations between Michel Francois and the Haitian paramilitary forces and their great influence and economic power could be a source of destabilization of the democratic process in Haiti," the so-called "Coordination Committee of Haitian Institutions" (CCIH) warned.

The group stated that Haitians in the Dominican Republic feel threatened by the presence of the feared former police chief, believing that Francois "might launch a persecution against us and against anyone who sympathizes" with President Jean-Bertrand Aristide, who was overthrown in 1991 and exiled in the United States.

Michel Francois "is responsible for the death of more than 5,000 Haitians," according to the CCIH, which consists of organizations of people's solidarity and human rights defense in Haiti.

The CCIH states the presence of Francois and any other Haitian coupist military leaders in the Dominican Republic will contribute to hindering relations between Dominicans and Haitians.

The former chief of Haiti's Metropolitan Police, who arrived in Santo Domingo one week ago, received temporary asylum, together with his wife, four children, and two of his aides.

Foreign Minister Denies Cedras Waiting at Border

PA0710234794 Hamburg DPA in Spanish 2104 GMT 7 Oct 94

[FBIS Translated Text] Santo Domingo, 7 Oct (DPA)—Dominican Foreign Minister Carlos Morales Troncoso termed as speculation reports stating Raoul Cedras, military leader of Haiti's de facto government, entered the Dominican Republic today.

Morales Troncoso also denied Cedras was at the border waiting for a safe-conduct from the Dominican Government.

Rumors to that effect have been circulating since early today in the Dominican Republic, and similar reports were also spread abroad.

The foreign minister said the Dominican Government has already warned it will not allow any other Haitian military leader involved in the toppling of President

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Jean-Bertrand Aristide in the country. He said his administration will maintain that position, even if a request to the contrary is made by the United Nations or the OAS.

Morales Troncoso reported yesterday the country's acceptance, on 5 October, of the former Haitian police chief, Joseph Michel Francois, was made at a UN request.

Haiti

Cedras To Step Down, Depart for Latin American Country

FL1010132294 Port-au-Prince Signal FM Radio in French 0140 GMT 10 Oct 94

[FBIS Translated Excerpt] Colonel Jean-Claude Gabriel, secretary of the General Staff, reports that General Raoul Cedras, head of the Haitian Army, plans to tender his resignation on 10 October. General Jean-Claude Duperval, his assistant, will replace him as interim commander in chief.

Sources report that Gen. Cedras will leave for a Latin American country. No date for Cedras' departure has been given.

Col. Gabriel also announced that Gen. Philippe Biamby, chief of General Staff, plans to resign.

Generals Cedras and Biamby are two of the three Haitian military leaders who promised to step down by 15 October, as part of the U.S.-imposed agreement. Lieutenant Colonel Joseph Michel Francois, Port-au-Prince police chief and the third of the three leaders, resigned and left for the Dominican Republic on 4 October.

U.S. authorities considered it crucial that Gen. Biamby and Cedras quickly resign following Francois' departure to allow a peaceful transition to democracy and the return of exiled President Aristide, who the Army overthrew three years ago and who has announced plans to return to Port-au-Prince on 15 October.

Gen. Cedras' decision to resign on 10 October was announced shortly after a one-hour meeting with Gen. Hugh Shelton, the commander of U.S. troops in Haiti. Gen. Cedras had also talked with Defense Secretary William Perry and General John Shalikashvili, chairman of the Joint Chiefs of Staff, in Port-au-Prince, who pressured him not only into leaving his post immediately but also into going into exile.

Military sources report that, although Gen. Biamby resigned on 7 October, his resignation was not approved until 10 October. We do not know if he also plans on going into exile.

President Jean-Bertrand Aristide appointed Gen. Duperval Army commander in chief in October 1993 following the signing of the Governors Island Agreement, which also called for Gen. Cedras to resign even though he did not.

Military sources report that President Aristide intends to appoint Col. Mondesir Beaubrun Army commander in chief or chief of General Staff as soon as possible, which implies that he will be promoted first to the grade of general. Col. Beaubrun is one of the five high-ranking officers who met Father Aristide in Washington on 8 October at the president's request. He was appointed head of a new commission for assessment and selection of military personnel aimed at choosing—among the Army members—those who will be accepted into the new police force and who will remain in the Army. The latter has now 7,500 men and should be significantly reduced. Col. Beaubrun was accompanied by Colonels Bernadin Poisson and Jean-Brunel Goby and Lieutenant Colonels Coulanges Justafort and Jean-Robert Rene. [passage omitted]

[Signal FM adds in another report during the same newscast: "AFP reports that Gen. Raoul Cedras, Haitian Army commander in chief, has met Gen. Hugh Shelton, the commander of U.S. troops in Haiti, for about an hour at his home in south Port-au-Prince. No details of the discussion have been made available. Rumors of Gen. Cedras' imminent resignation intensified over the weekend. Both the Haitian Army commander in chief and the chief of General Staff have promised to step down by 15 October. U.S. authorities have been putting intense pressure on the leaders to leave as soon as possible."

[Signal FM adds in yet another report during the same newscast: "Secretary of State Warren Christopher said today that he is optimistic that Gen. Raoul Cedras and Chief of General Staff Philippe Biamby will step down soon. Recalling the meeting between Gen. Cedras and U.S. Defense Secretary William Perry in Port-au-Prince, Christopher said that he believes that Cedras and Biamby will leave power and that President-elect Aristide will be able to return to his country before 15 October. He pointed out that the two Haitian military leaders will have no other choice but to leave Haiti after stepping down. Christopher added that the transition from the de facto military regime to the democratically elected government is going well and will accelerate again next week."]

Cedras Addresses Army on Resignation 10 Oct

FL1010210494 Port-au-Prince Radio Metropole in French 1435 GMT 10 Oct 94

[Address by Army Commander in Chief Raoul Cedras on his resignation today at the Army Headquarters in Port-au-Prince—live]

[FBIS Translated Text] Officers, Non-Commissioned Officers, Soldiers of the Haitian Armed Forces:

In the presence of the Haitian Armed Forces command, in the presence of the unit commanders of the military organizations, in the presence of our foreign guests, in a few moments, I am going to officially hand over control

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of the military institution. When I hand over the symbol of our Army to my successor, I will be making a point of what this gesture will mean for you, the past, the present, and the future.

The indigenous Army, composed of slaves of various origins, struggled and created a homeland which was named Haiti. From then on, the Haitian Army in national life had made some very unfortunate interventions, as well as some very timely ones.

Today the Haitian nation is disoriented. People in the street are obeying the calls of all kinds of people to attack stores, private property, and Haitian citizens. The institutions are tottering, not daring to act or react. Families remain at home, crouching in fear. The Haitian public is wavering, caught up in the whirl of incomprehensible events. It seems as if the nation is a small boat that has been abandoned by its oarsmen.

The Haitian Army created the past, but is present today, and must be a component of the future. I know that these words must appear futile, cynical, and utopian. But you have no right to let yourselves be overwhelmed with doubt and despair. [noise from crowd]

Today, 10 October, is 109 years since the birth of Charlemagne Peralte. His fight fell into the logic of that time. Today, the U.S. military is on our side and is holding out its arms to us, telling us it is here to help us create a new country. You must place yourselves within history's current mobility and help create new nation.

I will not be with you. [uproar from crowd] I have chosen to leave the country to protect you so that my presence is not (?used as) a motive for actions against the military institution or a pretext for unjustified or unjustifiable deeds. Wherever I am, I will suffer when you must suffer and will be happy when you are happy with where I will be.

The future must seem grim to you. But I am sure that at the end of the tunnel, a country awaits you that rests on reliable, stable institutions and that you will have a livable life.

Officers, Non-Commissioned Officers, Soldiers:

History will reveal that you have deserved a country. Yesterday, misunderstood apprentices of freedom; today, misunderstood defenders of Haitian society.

The time has come for all Haitians to decide to proclaim their faith in a better future for Haiti, and to act accordingly.

New Commander in Chief Addresses Army

FL1010213694 Port-au-Prince Radio Metropole in French 1435 GMT 10 Oct 94

[Address by new Commander in Chief General Jean-Claude Duperval, at Army headquarters in Port-au-Prince—live]

[FBIS Translated Text] Officers; Noncommissioned Officers; and Soldiers; Haitian People; representatives of the national and international spoken, written, and television press:

[Words indistinct] I would have to listen to the serenity of my soul this morning, I would offer you only absolute silence. However, given our traditions, I find myself obliged to say a few words on this occasion in the presence of God and on behalf of the common homeland. These words (?fall within a special framework): To hail the departure of the one who only a moment ago was still commander in chief of the Haitian Army. May we be allowed to recall that the military institution cannot elude this change and separation, which is in keeping with the natural order of things.

Officers, Noncommissioned officers, and Soldiers:

Being unaccustomed to long speeches—by the way, this juncture is not appropriate for that—I would like only to pay to the former commander in chief, my promotion colleague, the honor due his grade and rank on the occasion of his early retirement. May this ceremony inaugurate the beginning of a new era for military and civilians—in a word, for every Haitian citizen.

Brothers in arms, Officers, Noncommissioned Officers, and Soldiers:

Allow [words indistinct] the cohesion and courage that roused you despite various misadventures and despite risks at this juncture, [words indistinct] to acknowledge with me [words indistinct] of such a [words indistinct] to help our institution become more professional, to help our institution become a modern Army [words indistinct] meeting the requirements of modernization and [words indistinct] the hope that [words indistinct] to contemplate with [words indistinct] an unshakable determination to reach [words indistinct] Haiti [words indistinct] Haiti [words indistinct] today at the horizon. [Words indistinct] order, discipline, a respect for hierarchy, respect for human life and people [words indistinct] are going to work toward true democratic progress on the basis of the principle of legality, essential foundation of the state of law which we all are seeking.

Officers, Noncommissioned Officers, and Soldiers:

We hail the foreign guests, especially Gen. Shelton, the commander of U.S. Armed Forces on the field, and his staff. We welcome the current military cooperation in Haiti. As for Gen. Shelton, he is for us a serene personage, a man of honor, a man of dialogue, and a military man worthy of respect par excellence. We believe that you, officers, noncommissioned officers, and soldiers, will profit from the experience and competence of the cooperating military placed under the leadership of the general whose name we just mentioned. So long as the new perspectives allow [us] to foresee an alleviation of the burden that the military institution has

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so far borne, we will cooperate with them. We wish to believe that a deep mutual respect will always characterize this cooperation.

I will end my speech this morning, officers, noncommissioned officers, and soldiers, offering you my congratulations again and exhorting you to put yourselves, heart and soul, into the service of the Haitian people, with whom you must work for the reconstruction of the country, in peace, brotherhood, and mutual respect for rights. May the great architect of the universe be in the midst of all we are doing, all we are saying, in accomplishing the mission that has been entrusted to us. Thank you very much.

Duperval Background Detailed

PA1010214594 Madrid EFE in Spanish 1944 GMT 10 Oct 94

[Report by Harold Jean-Francois]

[FBIS Translated Excerpt] Port-au-Prince, 10 Oct (EFE)—Jean Claude Duperval is the new commander in chief of the Haitian Army. He had been appointed to this post by President Jean-Bertrand Aristide in December, and was previously coupist General Raoul Cedras' top aide. Political sectors in this country consider Duperval to be "very discrete."

Duperval, promoted to general with Cedras—who resigned as Army chief today—was appointed to this position by exiled President Aristide on 15 December 1993. He is 49 years old. Before becoming Cedras' right-hand man, Duperval was chief of the Haitian Metropolitan Police in 1990.

Duperval, who speaks Spanish, English, French, and Creole, was born in Port-au-Prince in 1945. He entered the military academy on 30 August 1961 and graduated as an officer on 22 January 1973. On 5 February 1992, when Aristide had already been toppled, Duperval obtained the rank of major general.

When Duperval left the military academy he entered the elite "leopard" group, which was created by former Haitian dictator Jean Claude Duvalier as a subversion unit.

Duperval is divorced and the father of four children. He went to grammar and high school in Port-au-Prince and has received the National Hero Award for his merits and distinguished services.

The new commander in chief of the Army studied criminology in the Complutense University of Madrid (Spain), political warfare in the Fuh Sing Kang Academy in Taipei (Taiwan), and police force studies in Sicily (Italy).

Deposed President Jean-Bertrand Aristide was elected on 16 December 1990 in the first free elections of this Caribbean country of nearly seven million inhabitants when Duperval was still the chief of Police.

Before Aristide took office on 7 February 1991, the now deceased Roger Lafontant, a right-wing politician and former Duvalierist minister, headed a foiled coup d'etat in January of that same year.

Although charges were never brought against him, Duperval was investigated in this case and an arrest warrant was issued for him but was never carried out.

After this investigation, Duperval was sent to Venezuela as a military attache on 14 July 1991.

When Aristide appointed Cedras as acting Army chief, Duperval became his top aide. [passage omitted]

Despite Duperval's appointment, which now has the support of the Haitian Senate, political sources have indicated that Aristide would have preferred Colonel Mondersir Beaubrum.

Nevertheless, the commander in chief of the Army must be elected from among the Armed Forces generals, and Beaubrun would first have to reach that rank.

Aristide, however, can appoint Beaubrum as command staff chief, the position left vacant by Gen. Philippe Biamby on Sunday. [passage omitted]

Radio Reports Biamby's Alleged Departure 10 Oct

FL1010134994 Port-au-Prince Signal FM Radio in Creole 1240 GMT 10 Oct 94

[FBIS Translated Text] The latest news has not yet been confirmed: General Biamby allegedly left Haiti by plane on the night of 9 October. This information has not yet been confirmed or denied by the sources that Signal FM contacted. Stay tuned to 90.5. We will be back if there is any further information regarding the departure of Gen. Philippe Biamby and Gen. Raoul Cedras.

Biamby Reportedly To Go to Venezuela

FL1010163794 Port-au-Prince Signal FM Radio in French 1500 GMT 10 Oct 94

[FBIS Translated Text] A well-informed source has told AFP that General Philippe Biamby, Army chief of staff, is due to go to Venezuela after having resigned on 9 October. The same source reports that U.S. military authorities are allegedly handling details of the departure.

Aristide Said To Plan To Appoint Malval Prime Minister

FL0710200394 Port-au-Prince Radio Metropole in French 1045 GMT 7 Oct 94

[FBIS Translated Text] Reports that President Aristide has called on Robert Malval to serve as prime minister have yet to be officially confirmed by either the exiled president's camp or the resigning prime minister's camp. Diplomatic sources at the United Nations report that the exiled Haitian president intends to appoint Robert

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Malval prime minister of a new government. Aristide told Western officials of his intention during meetings in the United States this week.

Senator Discusses Upcoming Bills Facing Chamber

FL0710210094 Port-au-Prince Signal FM Radio in Creole 1030 GMT 7 Oct 94

[Interview with Senator Turneb Delpe by unidentified correspondent in Port-au-Prince on 7 October—recorded]

[FBIS Translated Excerpt] [Delpe] The Chamber of Deputies managed to vote on the amnesty bill in one afternoon. That will not give us...[pauses] We have enough to do that we might be prevented from voting as quickly as they did.

[Correspondent] You, in the Senate, have much to do. What will the Senate's priorities be following the vote on the amnesty bill?

[Delpe] The government must present us with several bills. The amnesty bill is one of them. We now have the bill on separating the army and the police, creating a police force. We also have a bill on dismantling all paramilitary forces and groups. There is the bill on territorial community. There is the bill on the arbitration committee. I think there are about seven bills in all that we must vote on in extraordinary session. The bill on territorial community will allow us to set up the community, municipal, and departmental assemblies. This will permit the authorities to set up the Permanent Electoral Council, whose mission will be to organize the next legislative, municipal, and community elections. [passage omitted]

Social Democratic Deputy Believes in Reconcilation

FL0710204994 Port-au-Prince Signal FM Radio in French 1030 GMT 7 Oct 94

[FBIS Translated Excerpt] Social Democratic Deputy Serge Jean-Louis believes in national reconciliation. The deputy advocates political amnesty, denying that this would run counter to the reconciliation process. He believes that the Haitian people have made enough concessions:

[Begin recording] [Jean-Louis] There can be no other kind of amnesty, according to the Constitution [words indistinct] according to us. Article 147 stipulates that the president can grant political amnesty only. Any amnesty that is to be granted clearly must be granted within the confines of the Constitution.

[Correspondent] What about the national reconciliation that the 16 December president has proposed?

[Jean-Louis] A country's affairs are not the affairs of just two or three or even five people. A country's affairs are the affairs of an entire community. This is why I favor national reconciliation without ruling out the need for justice. I firmly believe in national reconciliation. Concessions must be made to save the country. [passage omitted] [end recording]

Aristide Backers Hold March; No Incidents Reported

PA0710175994 Paris AFP in Spanish 1706 GMT 7 Oct 94

[FBIS Translated Text] Port-au-Prince, 7 Oct (AFP)—Hundreds of supporters of exiled President Jean-Bertrand Aristide today held a demonstration in Port-au-Prince, the first since the U.S. troops took action against their paramilitary opponents.

The demonstrators gathered at St. John Bosco Church and marched to the port area in front of the U.S. Embassy and toward the presidential palace.

The last demonstration of Aristide supporters on 30 September ended in tragedy when a shoot-out in front of the headquarters of the paramilitary Revolutionary Front for the Promotion and Progress of Haiti (FRAPH) left at least five dead and dozens wounded.

"We do not want problems. We want peace and the return of Aristide," said Charles Dartaillan, secretary general of the independent confederation of trade unions and an organizer of the march.

There were no incidents, but U.S. soldiers in military vehicles closely followed the demonstrators.

Argentine Colonel Cited on Training of Police

PA1010192294 Madrid EFE in Spanish 1713 GMT 10 Oct 94

[By Alonso de Contreras]

[FBIS Translated Text] Port-au-Prince, 10 Oct (EFE)—The 107 members of Argentina's national police who have joined the International Military Police [IMP] in Haiti did not know that in addition to training the new Haitian police, they were going to have to protect them from the people's vindictiveness.

Colonel Roberto Marcelo Caxenave, chief of the Argentine group in the international mission and an officer also in charge of coordinating actions with U.S. Colonel Raymond Kelly, has told EFE "they are afraid of going out alone." Neighbors "threaten them and, consequently, they feel more at ease with our presence."

The Argentine contingent, part of the 1,000 policemen from various countries who will be sent to Haiti, arrived in Port-au-Prince from Santo Domingo after training at Camp Santiago in Puerto Rico for a few days.

Caxenave has said: "Our mission is to train Haitian policemen, to observe their work, and to teach them the correct job done by the police under a democratic system that respects human rights."

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The first problem is that ever since the foreign intervention began on 19 September, particularly since the then police chief, Michel Francois, sought refuge in the Dominican Republic, Haitian policemen have been afraid of even directing the scarce but chaotic traffic.

"They do not want to be alone, because people hate them and the military humiliates them," the Argentine colonel has said. Caxenave is promoting the creation of a police academy after the Haitian parliament issues a law separating the Army from the police, an action something expected to happen this week.

The reorganization of the police is being carried out with the few agents who are in service. Many apparently left the police force "voluntarily" following the U.S. military intervention.

"Our mission also includes deciding who is good and who is not to become a policeman," Caxenave has said. Having a relative in the police force meant you were automatically in up to now.

The Argentine officer added: "Although we are merely advisers in crime prevention, we feel compelled to intervene when arrests have to be made; otherwise, the people will lynch the policemen."

As an example of the grave problems, the officer recalled the traffic problem: "School starts in Haiti today, meaning there will be traffic jams, despite the scarcity of gasoline, but policemen will not even dare perform traffic duties." Therefore, "the people will have to be told no one will be controlling vehicle circulation."

He said the people do understand their work. "We feel comfortable with the Haitians and they with us. We talk a great deal with them, and our yellow IMP caps are already recognized and respected," he has said.

The Argentine policemen arrived in Haiti to stay for six months, "but their relief is feasible," Caxenave has said.

"We have much work to do. We have to start from scratch and create a true police force. We must optimize the work of policemen creating such force. We must create a situation where policemen and common citizens will feel mutual respect. It is a respect that must be different from the authoritarianism that has existed until now," the colonel stated.

In fact, their uniforms must be changed so that each will understand they belong to the "new rehabilitated police." The old uniform brings back bad memories to the relatives of the almost 7,000 who have died in the hands of the Army, police, and the paramilitary forces.

The Argentine officer stressed the importance of this phase for the Haitian democratization, adding "the Argentines are known because of Maradona, but we are being recognized now for the work we are doing to support the Haitian humble but almost innocent people." [sentence as received]

He conceded that the real test for the Haitian police, the international mission, and the foreign troops will be to keep order on 15 October, the day of the scheduled return of Jean-Bertrand Aristide, who was ousted during a coup d'etat on 30 September 1991 and was living in exile in the United States.

U.S. Military Arrests Attaches 5 Oct

FL0710203394 Port-au-Prince Radio Metropole in French 1045 GMT 7 Oct 94

[FBIS Translated Excerpt] U.S. troops are conducting a widespread search of Delmas: U.S soldiers, backed by helicopters and armored tanks, are operating from Delmas 19 to Delmas 33 right now. We do not know if the U.S. soldiers we saw this morning entered homes. Reports from the area indicate that the search is for weapons. U.S. troops have been appearing more and more on the capital's streets—particularly in downtown Port-au-Prince, where the military has been conducting searches—since the beginning of the week. Troops seized significant numbers of weapons and made some arrests on 6 October. Jean-Max Blanc reports:

[Begin Blanc recording, in Creole] U.S. soldiers continue their Port-au-Prince manhunt. Witnesses report that U.S. soldiers arrested a Haitian on Delmas Road on 6 October who they believe was working for the military. All of the testimony was the same: U.S. soldiers arrested the man allegedly working for the military as he was getting ready to bury weapons. [passage omitted]

U.S. soldiers arrested Gros Gera and Ti Samuel, two of the most terrifying attaches in Petion-Ville, on 5 October. Crowds set Ti Samuel's motorcycle on fire and destroyed his Nerette home following his arrest. U.S. soldiers stopped at Sainte-Therese Park, in Petion-Ville, on the same day. The soldiers left yesterday morning, even though many thought that they would set up camp there. [end recording]

U.S. Troops Make Arrests in Saint-Marc

FL0710213194 Port-au-Prince Radio Metropole in Creole 1600 GMT 7 Oct 94

[Report by correspondent Leonard Exantus, from Lower Artibonite, Saint-Marc]

[FBIS Translated Text] U.S. soldiers stationed in Gonaives have arrested 23 Haitian soldiers, including Saint-Marc Captain (Lino Vilson), and seven civilians. U.S. soldiers arrived at the Saint-Marc barracks at about 1700 GMT, discovered that enough weapons to fill a pickup truck had been buried inside, and arrested 22 Haitian soldiers as the crowds applauded. U.S. soldiers reportedly stopped the Saint-Marc barracks captain at the Saint-Marc customs service as he was trying to escape, arrested and handcuffed him, and took him away. U.S. soldiers also arrested a former Saint-Marc captain who was famous during the Namphy regime and who is

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currently the Revolutionary Front for the Promotion and Progress of Haiti's coordinator in Lower Artibonite [words indistinct].

U.S. soldiers also arrested Solage Michel and Nicolas Sejous, two well-known businessmen in the city, and (Syrius) Joseph, a former government commissioner who was very influential. The U.S. military also arrested the Saint-Marc customs service director and Harbor Director Jonas Francois, formerly a terrifying president. Saint-Marc residents were awaiting a resistance committee attack in fear when the operation took place. The Saint-Marc disarmament operation continues. A total of 26 of the 30 people who were arrested were taken to Saint-Marc at about 2200 GMT.

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U.S. Border Patrol Accused of 3 Beatings

PA0710162094 Mexico City XEW Television Network in Spanish 0430 GMT 7 Oct 94

[From the "24 Hours" newscast]

[FBIS Translated Text] According to reports, Operation Guardian implemented by the U.S. Immigration and Naturalization Service is resulting in an increasing number of violations of the human rights of undocumented Mexicans.

This week Mexican authorities received three reports of border patrolmen beating up undocumented persons who had been detained for illegally crossing into the United States at the Tijuana border.

[Begin recording] [Marco Antonio Hernandez] A border patrolman beat me up.

[Unidentified reporter] How did it happen?

[Hernandez] I was trying to run. I was beaten just because I ran.

[Reporter] How many people beat you? How were you beaten? Where were you struck? Who hit you?

[Hernandez] One patrolman. He asked me to follow and I ran back and tried to reenter Mexico. He caught up with me, and when I was down he began to kick me until I was couldn't catch my breath. [end recording]

Once Marcos Antonio Hernandez was deported, he accused the Beta police group for the attack.

Immigrant Hospitalized After Beating

PA0710143194 Mexico City NOTIMEX in Spanish 0352 GMT 7 Oct 94

[FBIS Translated Text] Tijuana, 6 Oct (NOTIMEX)—The Mexican Consulate in San Diego, California, today transferred Marco Gonzalez to the General Hospital in this city after Gonzalez was beaten by U.S. Border Patrol agents.

Hospital Director Rosalinda Guerra confirmed on Friday [7 October] that Gonzalez was admitted to the hospital. Gonzalez, who is originally from Nayarit State, "walked in on his own" accompanied by Alma Meraz, the chief of the Protection Department in the Mexican Consulate in California.

Guerra said Gonzalez was admitted to the emergency ward, where an official from the Attorney General's office and a doctor are noting his injuries.

Claudio Fernandez, deputy director of the Tijuana General Hospital, said that at this time the young man, who was beaten by members of the "Border Patrol" [previous two words in English], is discharging brain fluids through his ear and has blood coming from his nose.

On 2 October Gonzalez was intercepted by 11 mounted patrolmen in an area known as "Asta Bandera" in California, United States. He was detained and handcuffed.

Relatives who witnessed the incident testified that the Mexican hit his head against the fence when he was rammed by a patrolman and his horse.

Gonzalez was admitted and underwent surgery at the San Diego Mercy Hospital that same day with a fractured skull, which could cause mental disorders later on.

NGO Proposes Boycott To Protest U.S. Immigration Policy

PA0610155394 Mexico City NOTIMEX in Spanish 1423 GMT 6 Oct 93

[FBIS Translated Text] Mexico City, 6 Oct (NOTIMEX)—Mexico Forum, a nongovernmental organization [NGO], has proposed a boycott against transnational enterprises established in this capital as a rejection of California's anti-immigration policy.

Julio Ulloa, a representative of the organization, affirmed Wednesday [5 October] during a news conference that a boycott on Mexico's northern border "would have no effect" and proposed that it be carried out against transnational businesses to effectively pressure the United States.

Ulloa said Mexico Forum has filed a suit at the OAS Inter-American Human Rights Commission as a first step in fighting the California policy against illegal immigrants.

The suit, he explained, asks that Mexicans who live abroad be given political rights, especially the right to vote.

Ulloa explained that the forum is a nongovernmental organization made up of citizens who want to defend the human and political rights of Mexicans who go to the United States seeking employment.

EZLN Breaks Off Talks With Government

PA1110043494 Mexico City NOTIMEX in Spanish 0350 GMT 11 Oct 94

[FBIS Translated Text] San Cristobal de las Casas, 10 Oct (NOTIMEX)—The Zapatist Army of National Liberation (EZLN) today broke off its dialogue with the government, claiming an alleged reinforcement of government troops in the conflict area, it was reported today in a communique from the armed group.

The communique, dated 8 October and revealed on Monday [10 October], states that the EZLN, which began operating on 1 January in southeastern Chiapas State, said it will resume talks when "there is a true willingness to participate in a dialogue and when the necessary conditions are met."

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The communique, signed by "Subcommander Marcos," adds that the Mexican Army is "ostensibly" preparing for combat by deploying troops, patrolling in armored vehicles, raiding "Zapatist" territory, and conducting low-altitude overflights in combat aircraft.

The armed group's leadership says that given these alleged actions, "the government is not willing to settle the Chiapas conflict," and it announced that EZLN forces are prepared for combat.

"The Zapatist troops have finished mining all land access routes to rebel territory, and the antiaircraft units are in place. We are ready," stated the EZLN, which began the conflict by taking over towns and demanding rights for Indians.

Jorge Madrazo Cuellar, government commissioner for peace in Chiapas, announced last week that he expected a reply from the armed groups in connection with a communique that was recently sent to the EZLN with the intention of resuming the dialogue.

The EZLN and former Peace Commissioner Manuel Camacho concluded the first peace dialogue in May, when the federal and state governments proposed and later carried out social projects in Chiapas.

In the communique, issued in San Cristobal, approximately 1,200 km southeast of Mexico City, the armed group said the peasant squatters have been evicted by authorities "with a great show of force."

The EZLN said the 28 September assassination of Francisco Ruiz Massieu, secretary general of the ruling Institutional Revolutionary Party, is "the assassin's reply to the democratization efforts in the country."

EZLN Discloses Topics for Convention Meeting

PA0910182194 Mexico City NOTIMEX in Spanish 2212 GMT 8 Oct 94

[FBIS Translated Text] San Cristobal de las Casas, 8 Oct (NOTIMEX)—The armed EZLN [Zapatist Army of National Liberation] group that rebelled in Altos de Chiapas during the first days of January, has released the dates for the Democratic National Convention's (CND) second session.

In a communique, the EZLN, which is claiming rights for Indians, stated that the second CND session will take place between 12 and 15 October, at a place still to be decided.

The EZLN, which on 1 January took over four municipalities in Chiapas State, in southeastern Mexico, criticized the attitude and position of the various organizations that comprise the CND, which do not understand that they must create a new and modern organization.

Since 10 January, the armed group has been abiding by a truce, after the Mexican Government announced an Army cease-fire and began the initial steps to negotiate an end to the conflict.

Following the negotiating stage, an impasse developed after the EZLN refused the government's proposed 33 points to resolve the crisis that dealt with responding to EZLN demands to do with health, housing, land, work, culture, freedom, democracy, and peace.

The EZLN, despite its refusal, has kept in contact with the government through the San Cristobal de las Casas diocese, while Peace Commissioner Jorge Madrazo explained on Friday [7 October] the next steps to be taken.

Madrazo said that in an attempt to continue with the cease-fire as a basis for the negotiations with the incoming administration, headed by President-elect Ernesto Zedillo, he sent the EZLN a "package of proposals."

President Carlos Salinas de Gortari will leave his post on 1 December and President-elect Zedillo will take office. The peace commissioner hopes that the EZLN and Mexican Army truce will be observed during the transition.

Last July, the EZLN summoned the country's civilian, labor, independent peasant, and intellectual organizations to the first CND session, which took place in EZLN-occupied territory in the Lacandona jungle.

Resolutions during the first meeting centered on Indian demands, which are a cause of conflict, and analyzed the country's situation prior to the 21 August presidential elections.

In the second communique addressed to the people of Mexico and the international community, on Friday the EZLN proposed 13 points as a work agenda for the second CND session "without which man cannot have a dignified life with regard to material things."

The topics to be discussed will be work, land, housing, food, education, health, justice, culture, information, independence, freedom, and democracy.

"As a last point, if the path taken by the majority resolves the problems that we have stated and we build a fatherland that is fair, free, and democratic, we will have taken the most direct route to a peace that we all yearn so much, a peace with justice and dignity," the EZLN communique reads.

To satisfy these points, the EZLN has also proposesd a CND struggle program. "The struggle in Mexico for democracy, freedom, and justice does not begin or end with elections," the EZLN communique stated.

In the third communique, the EZLN stated that the CND presidency cannot make public statements either in favor or against a political or social organization, which has not explicitly stated its subordination to the CND and without the authorization of a CND resolution.

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In this connection, the EZLN communique stated that the CND presidency may be removed at any moment, either totally or partially, by a simple majority agreement from the convention attendees.

Delegates Prepare

PA1110033794 Mexico City NOTIMEX in Spanish 2259 GMT 10 Oct 94

[FBIS Translated Text] Mexico City, 10 Oct (NOTIMEX)—Delegates from various states in Mexico will begin on Tuesday [11 October] a preparatory meeting for the Second National Democratic Convention (SCND), which will be held in southeastern Chiapas State, it was reported here today.

Patricio Ruiz Anchondo, deputy of the center-left Party of the Democratic Revolution (PRD), the third Mexican political force, said the points to be discussed at the SCND will be reviewed at the preparatory meeting.

Ruiz Anchondo explained: During the meeting, which is sponsored by the armed Zapatist Army of National Liberation (EZLN), "we will submit a report in which we make a balance of the last six years of the democratic movement."

The EZLN, which emerged this year to demand Indian rights, presented 13 points on Saturday which should be analyzed during the SCND, scheduled for 12-14 October.

The topics to be discussed include work, land, housing, food, education, health, justice, culture, information, independence, liberty, and democracy, issues "without which man cannot have a dignified life," it was explained by the armed groups.

Deputy Ruiz Anchondo explained: During the new meeting we "will examine the challenges we face and how we must face them."

"We do not think the SCND has to function as a coordinating board, as in former undertakings by the Mexican left," he added.

Between 6 and 9 August, approximately 5,000 representatives of social organizations held the First National Democratic Convention during which they analyzed the country's situation prior to the 21 August general elections.

The PRD deputy explained: "We face the risk that the SCND will become a rubber-stamp because self-imposed reforms within the convention have paralyzed political activities."

According to the summons, the second convention will be inaugurated on 12 October, when the discovery of America is commemorated, so the points to be discussed will include "502 years of Indian resistance."

The event will be held in the town of Aguascalientes, Chiapas, located 1,500 km southwest of Mexico City at a place specially prepared for the first convention.

The PRD said the convention's preparatory meeting will only be attended by state representatives, but they will analyze "a national session that will be summoned in November."

It believes the convention participants must seek new forms of expression, "mainly for greater unity, because we must be the civilian expression of a peaceful transition to democracy, which we have yet to achieve."

The convention must be more positive and more capable of taking the initiative as well as discarding the old ways of the Left, which "will only immerse us in an endless, unproductive discussion that will not achieve anything specific," Ruiz Anchondo added.

Defense Secretary: EZLN Must Become Political Force

PA0710173094 Mexico City LA JORNADA in Spanish 4 Oct 94 pp 1,17

[Report by Jose Antonio Roman]

[FBIS Translated Text] National Defense Secretary General Antonio Riviello Bazan believes it is important that the EZLN [Zapatist Army of National Liberation] be incorporated as a political force in Chiapas so it can convey the Indian groups' concerns and social demands in a civilized manner.

During a private meeting with the legislators who are members of the multiparty commission responsible for monitoring events in Chiapas, the defense secretary stated that he had "reliable evidence" that the EZLN possesses "very modern weapons originating from Nicaragua." Without giving concrete figures, he acknowledged that the conflict "has been very costly" for both sides.

According to information disclosed by Hector Teran Teran, a PAN [National Action Party] senator from Baja California State, the national defense secretary expressed the Armed Forces' hope that peace negotiations between the EZLN and the Mexican Government will be reestablished as soon as possible.

Commission President Senator Victor Manuel Tinoco Rubi announced that the national defense secretary had stressed that "there is no longer a military siege" in the Chiapas conflict zone and that the EZLN's weaponry originates from Nicaragua.

The defense secretary told the legislators that there is no concrete evidence of the existence of other armed groups in Michoacan, Guerrero, or Oaxaca, as reported by several newspapers.

Riviello Banzan reiterated the Armed Forces' commitment to find a peaceful solution to the conflict and

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believes it is important that the EZLN become a political force in the state and express the social reservations and demands the Chiapas Indian groups have been making.

As for the EZLN's claims about an increase in the number of soldiers, he insisted that the troop movements are nothing more than routine activities by "soldiers who must move around to attend to their personal needs. One must remember that most of the soldiers are from Chiapas."

He added that this is independent from the replacements that have been brought in for strategic purposes but which did not increase the number of soldiers and officers stationed throughout the region.

The military officer denied that military aircraft were overflying the conflict zone since they are no longer suitable for offensive purposes and do not possess the necessary maneuverability to overfly the region. He also pointed out that any overflight would be quite risky in light of "reliable evidence that the EZLN possesses very modern military equipment."

The national defense secretary showed the legislators a catalog with photographs of the sizable assortment of weapons possessed by the EZLN, just as he officially reported to the Senate through a press communique.

Gen. Riviello Bazan warned that the EZLN is using modern radio equipment, which proves this conflict has been costly for both sides.

Commission President Senator Victor Manuel Tinoco Rubi reiterated his acknowledgement of the "institutional conduct" demonstrated by the Mexican Armed Forces in the conflict zone, its full respect for the cease-fire decision ordered by the federal executive, and the fact that it has continued to be a guarantor of the peace process in the state.

Senators Hector Teran Teran, Angel Ventura Valle, and Israel Soberanis Nogueda participated in the meeting, as did Deputies Alejandro Encinas, Alvaro Salazar Lozano, Antonio Garcia Sanchez, Francisco Dorantes Gutierrez, and Morelos Canseco Gomez.

Defense Secretary: Nicaragua Arming Chiapas Groups

PA0710204394 Mexico City XEW Television Network in Spanish 0430 GMT 4 Oct 94

[From the "24 Hours" newscast]

[FBIS Translated Text] Defense Secretary Antonio Riviello Bazan met this morning with senators and deputies who make up the followup commission on the Chiapas case. Victor Manuel Tinoco Rubi, president of the multiparty commission, said that Defense Secretary Riviello told the congressmen that the conflict area in Chiapas is not under a military siege. Tinoco stressed that the Army is willing to negotiate a peaceful solution. Tinoco added that Riviello indicated it was discovered that weapons being used by the armed groups in Chiapas are coming from Nicaragua. Riviello explained that the alleged deployment of troops is nothing more than soldiers moving around to take care of their personal matters. This is in addition to the replacements assigned as part of a strategy, but without increasing the number of troops. He also denied that Army planes are flying over the area, because they have confirmed that the armed groups have highly sophisticated weapons, and the planes would be at risk.

Riviello showed legislators from various parties pictures of the weapons owned by the armed groups in Chiapas, including modern radio and communications equipment. The legislators who attended the meeting included senators Hector Teran of the PAN [National Action Party], Angel Ventura Valle and Israel Soberanis, and deputies Luis Encinas, Alvaro Salazar Lozano, Antonio Garcia, Francisco Dorantes, and Morelos Canseco, the Senate senior officer.

Government Readying Release of EZLN Proposals

PA1010043494 Mexico City NOTIMEX in Spanish 0525 GMT 8 Oct 94

[FBIS Translated Text] San Cristobal de las Casas, Chiapas, 7 Oct (NOTIMEX)—Jorge Madrazo, commissioner for peace and reconciliation in the southeastern state of Chiapas, has announced that proposals for agreement submitted by the Zapatist Army of National Liberationy (EZLN) will be disclosed. The proposals for agreement with the armed group, which seek to consolidate and extend the unilateral cease-fire ordered by the federal government on 12 January, will be released to the public next week, he explained.

Madrazo stated that the goal is to create a propitious climate for resuming direct talks with delegates from the Clandestine Indian Revolutionary Committee-General Command of the Zapatist National Liberation Army and to restore social tranquillity in the strife-torn area.

Speaking during a news conference, the government negotiator noted that the EZLN submitted the proposals on 26 September. He declined to announce them in order to expedite their acceptance and implementation. "This package involves the National Human Rights Committee and nongovernmental organizations only," explained the negotiator, who was appointed by President Carlos Salinas de Gortari to replace Manuel Camacho, who resigned last July. Madrazo specified that the proposals "are not part of the commitments made by the government at the negotiating table in San Cristobal de Las Casas in February and March to raise the living standard of Indian and peasant villages."

Deputy Attorney General on Ruiz Murder Investigation

PA0710143394 Mexico City Radio ACIR Network in Spanish 0000 GMT 7 Oct 94

["Message to the public" read by Deputy Attorney General Mario Ruiz Massieu, brother of Jose Francisco

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Ruiz Massieu, the assassinated Institutional Revolutionary Party secretary general, on 6 October in Mexico City; from the "Evening News Panaroma" broadcast—live or recorded]

[FBIS Translated Text] At this point of the investigation into the murder of Jose Francisco Ruiz Massieu and in view of the questions that various media (?have insistently been asking me), I think that it is advisable to state the following:

We are faced with a very well-trained group in which each member had a very clear and rehearsed role and a very similar statement. We think that others are involved and that there could be a deceitful attempt to involve certain other persons as well. Thus, we must note that the investigation conducted by the Attorney General's Office has strived to maintain a timely and unrestricted flow of information about all its actions.

This information is the result of affidavits [declaraciones ministeriales] provided by witnesses; investigations are conducted to confirm each piece of information. Thus, the handling of information has been based on responsibility and respect for persons and their rights.

We must convince the media and society about the need to differentiate—with utmost attention—between this kind of information and the statements made by some of the accused and unfounded speculation, some of which could even come from strategies to cause confusion and to divert the course of the investigations, thus harming persons whose rights and personal safety deserve respect.

We must be careful not to fall for their games. We must not forget that they are criminals trained for an operation that, according to one of the accused, included the diversion of the investigation by leveling false accusations, which, I repeat, could also tarnish the image and the rights of innocent people.

Detainee: Deputy, Senator Tied to Ruiz Murder

PA0810022394 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 6 Oct 94

[Report by Raul Sanchez Carrillo; from the "Early Morning" newscast]

[FBIS Translated Text] New revelations on the assassination of the former PRI [Institutional Revolutionary Party] secretary general were disclosed on 5 October. Maria Eugenia Ramirez Arauz, who is under arrest at the Almoloya de Juarez Prison, has said another deputy and a senator are implicated in the planning of this assassination.

Maria Eugenia Ramirez Arauz disclosed on 5 October before officials of the Attorney General's Office [PGR] important revelations implicating Deputy Manuel Garza Gonzalez, El Nene Garza, and Senator Enrique Cardenas Gonzalez in the group led by the now former Deputy Manuel Munoz Rocha to assassinate not only Jose Francisco Ruiz Massieu but also Tamaulipas Governor Manuel Cavazos Lerma and Tamaulipas Deputy Laura Alicia Garza Galindo. In an official communique, the PGR reported the statements by Ramirez Arauz.

Meanwhile, federal agents have brought Humberto Garcia Abrego, brother of Gulf Cartel chief Juan Garcia Abrego, to this capital. The PGR document also stated that Fernando Rodriguez Gonzalez, Ramirez Arauz' lover with whom she has lived for the past 14 years, told her that Deputy Munoz Rocha had ordered him to hire two gunmen three months ago and devise a plan to murder several politicians.

This conspiracy was set in motion, and Fernando Rodriguez Gonzalez was responsible establishing the murder group according to Maria Eugenia Ramirez Arauz. She said Abraham Rubio Canales, who is apparently a coconspirator of Manuel Munoz Rocha, sent him 1 million new pesos three months ago, that is, 1 billion old pesos, to buy weapons, to hire paid assassins, and to plan the method to assassinate Jose Francisco Ruiz Massieu.

First, Manuel Munoz Rocha delivered to Fernando Rodriguez Gonzalez 170,000 new pesos and 300,000 additional new pesos two months later to carry out the assigned mission. Fernando Rodriguez deposited both amounts in a branch of Banamex in the Balbuena residential area in this capital.

Meanwhile, Maria Eugenia Ramirez Arauz said the hatred against Manuel Cavazos Lerma stemmed from the fact Manuel Munoz Rocha wanted to be governor of Tamaulipas, the reason why he had planned to murder the state governor in March of 1995.

Deputy Laura Alicia Garza Galindo was to be assassinated, because she replaced Manuel Munoz Rocha as Tamaulipas federal deputy coordinator. Maria Eugenia Ramirez Arauz said the people who appeared on the hit list represented obstacles to the politicians of the Munoz Rocha group, of which, she said, Deputy Manuel Garza Gonzalez, known as El Nene Garza, and Senator Enrique Cardenas Gonzalez were also members.

Fernando and Jorge Rodriguez Gonzalez, Maria Eugenia Ramirez Arauz, Carlos Cantu Narvaez, and Irving Anthony Borregos Cicerol met at Perisur Shopping Center on the evening of the assassination of Jose Francisco Ruiz Massieu, Wednesday, 28 September. From there, Borregos Cicerol took Jorge and Carlos to an apartment in Paseo de la Reforma, No. 380.

Finally, Maria Eugenia Ramirez Arauz told the PGR it was very likely fugitives Manuel Munoz Rocha and Fernando Rodriguez Gonzalez may be at a ranch belonging to the former deputy, either in Ciudad Victoria or any of his homes in Brownsville, Texas.

Senator Denies Involvement

PA0810221194 Mexico City XEW Television Network in Spanish 0430 GMT 8 Oct 94

[From the "24 Hours" newscast]

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[FBIS Translated Text] Senator Enrique Cardenas Gonzalez reiterated today in the Chamber of Senators that he has already spoken to the Attorney General's Office [PGR] to explain that allegations implicating him in the murder of Ruiz Massieu are false.

Congress Committee Declaration on Ruiz Investigation

PA0910012894 Mexico City UNOMASUNO in Spanish 6 Oct 94 p 16

["Political declaration" issued by the Congress Standing Committee in Mexico City on 5 October]

[FBIS Translated Text] **A week ago, in embracing a disposition we deeply appreciate and value, parliamentary groups represented in this permanent commission have expressed through both words and deeds their deepest regret at and solidarity with those of us representing the Institutional Revolutionary Party [PRI] in this Federal Congress for the deplorable attack that ended the life of Jose Francisco Ruiz Massieu, at the time our party's secretary general and coordinator of the PRI bloc in the Chamber of Deputies' 56th legislative period.**

There was unanimous rejection of violence and censure of the brutal assassination, as well as a call for serenity and measures by the competent authorities.

Mexico has reaffirmed its disposition and commitment to maintain levels of social coexistence that will guarantee individual and collective safety, through the rule of the law, as well as a climate of scrupulous respect for individual rights where the state honors and enforces legal order.

Our society is complex. Numerous and different types of individual and group behavior constantly occur in society. When these forms of behavior are part of the commission of a crime, individuals who have personally engaged in a type of conduct outside the law are accountable for their actions.

This is why the PRI is deeply interested in a full explanation of this case, particularly because the motives pertain to individual conduct, the origins of which must be clarified.

In light of the progress made in the investigation by the competent authorities to determine guilt in the unfortunate event that ended the life of Jose Francisco Ruiz Massieu, the PRI parliamentary group in the Permanent Commission hereby expresses:

A Political Declaration

First—We are overcome by a profound and genuine sense of indignation at the damage which the death of Mr. Jose Francisco Ruiz Massieu has caused his family, our political institution, and society in general. The PRI has been afflicted by the reprehensible use of violence as a means of promoting interests and ambitions that threaten the respect, harmony, and coexistence that are prerequisites for social conduct.

Second—We reiterate our conviction that measures by the competent authorities will lead to full disclosure about those participating in this reprehensible crime, will assign responsibility in accordance with the law, and will obtain penalties from the courts for those who perpetrated such a cowardly act.

Third—We urge the investigating agencies and the attorney general to proceed with their investigations as rapidly and intensely as possible, without any commitment but with the full clarification of the truth and without discarding any of the hypotheses on motives for the crime, as well as the probable fusion of interests that would be involved in executing it.

Fourth—We reaffirm as the PRI bloc our commitment and endorsement of the call by the current national leadership for a process to reform our party, product of reflection by the country's PRI members to respond to the current situation. For that reason, we are reiterating the PRI's commitment to national dialogue to strengthen the points of concurrence among the country's political forces on matters of national interest—among these are particularly salient social peace, the existence of the rule of law, and the principles of democracy, social justice, and sovereignty of the Republic—to consolidate conditions for democratic coexistence and social development that, based on the law, the people of Mexico demand and expect.

Mexico City, Federal District, 5 October 1994.

Signing this political declaration are:

Senator Humberto Lugo Gil, Deputy Miguel Gonzalez Avelar, Senator Raul Carrillo Silva, Senator Angel Ventura Valle, Senator Idolina Moguel, Senator Orlando Arvizu, Deputy Pedro Ojeda Paullada, Deputy Hector Ortiz, Deputy Manuel Diaz Infante, Deputy Laura Alicia Garza Galindo, Senator Enrique Cardenas Gonzalez, Senator Manuel Diaz Cisneros, Senator Carlos Sales Gutierrez, Senator Ricardo Monreal, Senator Jesus Rodriguez y Rodriguez, Deputy Mario del Valle, Deputy Jorge Mejia Tobias, Senator Carlos Jimenez Macias, Senator Victor Manuel Tinoco Rubi, Senator Israel Soberanis Nogueda, Deputy Victoria Reyes, Deputy Efrain Zuniga Galeana, Senator Alfonso Martinez Dominguez, Senator Miguel Aleman, and Senator Angel Sergio Guerrero Mier.

Thank you, Mr. President.

Secofi Deputy Secretary Denies Flight of Capital

PA0710162694 Mexico City LA JORNADA in Spanish 5 Oct 94 p 45

[Report by Raul Llanos Samaniego]

[FBIS Translated Text] Pedro Noyola, deputy secretary of the Commerce and Industrial Development Secretariat (Secofi), said that up to the third quarter of 1994,

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the flow of foreign capital into Mexico has shown a "positive and satisfactory growth." Therefore, he denied that there has been a flight of capital following the slaying of Jose Francisco Ruiz Massieu.

European and U.S. businessman said here that they will not stop their investment projects despite the regretful incidents that have occurred this year because, the economic situation has proven to be strong. On the contrary, they believe that Mexican businessmen are more afraid of the current situation than their foreign counterparts.

Pedro Noyola de Garagorri was interviewed after opening the Mexico-EU [European Union] meeting. Noyola indicated that the pace of foreign capital up to September 1994 "enables us to anticipate that by year's end, we will obtain the highest flow of direct foreign investment in the history of Mexico."

He also stated that the investment projects and programs launched this year are continuing "normally," which shows the confidence of foreign businessmen on Mexico's future.

Regarding comments that some businessmen have said that a flight of capital is taking place and foreign investment has been stalled, Noyola replied: "Our most recent figures confirm a very positive trend for foreign investment throughout the year. During these eight months, we have received foreign investments worth about $9 million, which constitutes a 29-percent increase compared with the same period in 1993."

As for September, Noyola pointed out that "we have continued seeing a favorable progress vis-a-vis direct foreign investment," which, by December 1994, will surpass all goals reached thus far.

He explained that regarding foreign capital, Mexico had traditionally received between $3.5 and $4.5 billion, but now "we will exceed that figure." Foreign investment in Mexico added to the investment received in the stock exchange market will enable "Mexico to come up with a total figure similar to the one obtained in 1993" by year's end.

Asked about a possible wariness among foreign businessmen to invest in Mexico, Noyola stated:

[Noyola] Foreign investors have confidence in the economy, and that is obvious through the investment that continues to be channeled to Mexico.

[LA JORNADA] Has a flight of capital been registered?

[Noyola] What I have noticed is that all projects are continuing their course and so are capital flows. That is what I can tell you based on the figures that fall under my purview.

At the same meeting, Juan Autrique, president of the National Association of Mexican Importers and Exporters (ANIERM), denied that a flight of capital occurred following the assassination of Jose Francisco Ruiz Massieu, secretary general of the PRI [Institutional Revolutionary Party].

Autrique believes that the soundness of the current economic plan has allowed Mexico to successfully overcome the circumstances affecting Mexico's political situation.

As for this topic, Eric Galic, economic advisor of the European Commission in Mexico, maintained that thus far, European investors view this country as a major opportunity to invest their resources.

Craig Hoenshell, global president for American Express, pointed out that "Mexican businessmen are more afraid and wary in light of the difficult circumstances than their foreign counterparts" and confirmed that they will continue betting on Mexico.

In a news conference, Hoenshell maintained that U.S. investments in Mexico are guaranteed in the short, medium, and long term because the current government made a substantial effort to restore international confidence in changes in Mexico.

He finally said that "we are not afraid in your country as is the case with some Mexicans."

Chihuahua Governor Rejects DEA Assessment

PA0810205094 Mexico City EL FINANCIERO in Spanish 6 Oct 94 p 40

[FBIS Translated Text] Ciudad Juarez, Chihuahua, 5 Oct—Chihuahua State Governor Francisco Terrazas has flatly rejected the U.S. Customs and DEA assessment according to which 60 percent of the cocaine sent to the drug cartels in the United States goes through his state.

He also denied that the Medellin and Cali drug cartels are active in this Mexican state.

He explained that in Chihuahua, drug trafficking is a thing of the past and that as far as he knows, neither the Golfo nor the Pacific cartels are operating in the state, as U.S. authorities in charge of fighting drugs and money laundering claim.

Terrazas said that the notorious Juarez Cartel perished with the death and jailing of "the Rafaels," masterminds of the organization.

The state governor stated in a communique sent to EL FINANCIERO that "one could speak of 60 percent the same way another could say 20 percent, or 80 percent, or 100 percent. None of these figures is reliable, because drug trafficking is an underground and totally illegal activity, and it is impossible to establish how much drug goes through here and how much goes through Laredo or Tijuana, so figures are no more than hypotheses."

The governor said that currently, coordination between state authorities and the Attorney General's Office

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[PGR] to fight drug trafficking is, unfortunately, not as good as it was some months ago.

He admitted that his government is not participating, as reported recently by U.S. Treasury Secretary Lloyd Bentsen, in the investigations the Finance Secretariat is carrying out on money laundering as part of the Cobra Operation, which has been structured in a way that permits the governments of the United States and Mexico to cooperate in the exchange of information on criminal activities by alleged businessmen involved in drug trafficking.

With regard to the lack of coordination between the PGR and the state government in the Cobra Operation and the struggle against drug trafficking, it has been reported that this is due to the governor's defense of dairy sector magnate Pedro Zaragoza Fuentes and other businessmen linked to the Juarez Cartel, through Zaragoza's brothers-in-law, Rafael Munoz Talavera and Rafael Aguilar Guajardo.

Regarding accusations that appear in Mexican police and U.S. Government agencies' files, Barrio Terrazas has defended Zaragoza and has publicly declared that before acting against this man, evidence must be found to back accusations, considering that tax evasion charges against him have been resolved satisfactorily.

Zaragoza Fuentes, a fugitive from justice since May, is accused of having embezzled $2.2 million from the Treasury and has been linked to money-laundering activities involving his brothers-in-law Rafael Munoz Talavera and Rafael Aguilar Guajardo, who in 1993 was killed by alleged Golfo cartel criminals in Cancun, where he owned luxury property.

According to DEA and U.S. Customs, the Juarez cartel has continued operating in Chihuahua in spite of the jailing and assassination of some of its visible masterminds. This became evident by subsequent drug seizures and arrests of persons who have declared they belong to the Juarez cartel controlled by criminals and narcobusinessmen who have maintained the organization unimpaired.

Barrio Terrazas does not share this opinion. He has said that one year ago, there was much talk about the Juarez Cartel and its links with big international drug trafficking, but now it appears as if the whole drug trafficking edifice in Chihuahua and, allegedly, in Ciudad Juarez, was dismantled following the assassination of Rafael Aguilar Guajardo and the imprisonment of the Munoz Talavera brothers.

He said: "The truth is that formally, there is no news of a new cartel having reemerged. There is the impression that there are groups fighting to see who takes the territory claimed by the Rafaels and all the other people."

The governor said that drug trafficking and narcopower in the state are things of the past. He said this in reference to charges he made before becoming governor, charges according to which the state of corruption was such that Institutional Revolutionary Party [PRI] officials and mayors were linked to drug trafficking. One of his election campaign promises was to openly attack drug trafficking regardless of who may fall, referring to state Judicial Police Commander Elias Ramirez.

He reports now that "currently, I have no sign that mayors are involved. Two years ago, there was talk about such links. Reports were never backed by evidence. Right now, I have not heard of any of the 76 mayors having the slightest link with drug trafficking. I am not saying this is not possible, but there is no talk about this."

Barrio Terrazas made it clear that two years ago he became governor of the state which was viewed as one of the three most importat doors drugs and money laundering have to the United States, according to U.S. authorities. Since then these activities have disappeared from his state, considering that nothing is being heard about them, he said.

However, an El Paso District border police statistics report made available to EL FINANCIERO by Silvestre Reyes, district commander of that federal agency, apparently denies the claims of the Chihuahua governor. This report indicates that so far in 1994, the seizure of drugs arriving from Ciudad Juarez has increased by 553 percent in relation to last year's seizures, jumping from $96.3 million to $625.1 million, and the year is not over yet.

As Reyes sees it, the drug traffickers of the Mexican and Colombian cartels have increased their activities in the past two years, as arrests resulting from drug shiptments through the Chihuahua border to the United States indicate.

Reyes reports that it cannot be denied that the millions drug cartels have at their disposal allow them to maintain this illegal activity, and that earnings in the United States permit financing the activity.

Drug trafficking is suffering significant defeats with the seizure of shipments introduced along the 3,000 km border, and there have been charges of corruption and of links with narcopolitics. The state governor himself, a few days before assuming his post as municipal president of Ciudad Juarez (1983-1986), said that unidentified drug traffickers had offered him millions of dollars with the implicit intention that he allow them to work freely during his administration.

This produced a big scandal when it was denounced at the arrival of the first National Action Party mayor of that municipality, traditionally governed by the PRI.

Barrio Terrazas' statements coincide with one expressed by Eduardo Garza Rivas, president of the state's Human Rights Commission, in Tamaulipas, another state considered by drug traffickers as a golden door, according to U.S. authorities. Garza disregarded reports about the existence of a big Golfo Cartel industrial empire in that state. Reports about such existence had been made by U.S. counternarcotics agencies.

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El Salvador

President Says U.S. Agrees Not To Deport Salvadorans

PA1110044694 San Salvador Canal Doce Television in Spanish 0300 GMT 11 Oct 94

[Report by Edwin Gongora from the "Up-to-Date" newscast]

[FBIS Translated Text] President Armando Calderon Sol said that the U.S. Government has agreed not to deport Salvadorans en masse following the expiration in December of this year of the Condition for Temporary Protection program.

Calderon Sol said negotiations have been held regarding the possible deportation of 187,000 compatriots and stated that El Salvador wants guarantees from the Clinton administration that this will not occur.

According to the president, the talks with the State Department have had positive results.

[Begin Calderon Sol recording] I have been told that under no circumstance will there be a massive deportation, regardless of what may happen, even if the program is not extended. There are sufficient resources in the United States to ensure our cmpatriots that they will have the legal mechanisms to keep from being deported en masse. [end recording]

The Salvadoran president thus dispelled doubts about the possible deportation of our compatriots. He added that their return could create a difficult economic situation for the country.

In addition, President Calderon said that the internal crisis in the FMLN [Farabundo Marti National Liberation Front] will not adversely affect the development of the peace talks.

[Begin Calderon Sol recording] I would say the situation inside the FMLN will not adversely affect the implementation of the agreements. I believe it is an internal problem, and all Salvadorans are committed to the implementation of the agreements. [end recording]

As for the ecology summit of Central American presidents in Nicaragua on Wednesday and Thursday [13-14 October], Calderon Sol said the region will draft a document proposing an alliance for sustainable growth to be presented at the Summit of the Americas in Miami later this year.

Permanent Status Desired

PA0710202694 San Salvador Radio Cadena YSU in Spanish 2200 GMT 6 Oct 94

[Report by Douglas Mejia]

[FBIS Translated Text] The Legislative Assembly Foreign Relations and Central American Integration Committee is currently evaluating the possibility of next week asking U.S. Attorney General Janet Reno to grant permanent resident status to the 187,000 Salvadorans currently under temporary protection in the United States.

Committee Chairman Rene Figueroa explained that even though the Salvadorans in the United States currently enjoy protection and are allowed to work legally, that protection could be revoked at any time and they could be deported back to El Salvador as illegals.

[Begin Figueroa recording] They are currently protected under a status that expires on 31 December 1994. We are evaluating what we can do to help them, because 31 December is rapidly approaching. [end recording]

Figueroa explained that some U.S. legislators are opposed to the idea of granting permanent protection to Salvadorans living in the United States. In this respect, he said a delegation will meet with these congressmen to try and help those Salvadorans under legal protection until 31 December.

[Begin Figueroa recording] First we are going to see what possibility there might be of helping these Salvadorans. We definitely plan to meet with Senators Jesse Helms and Alan Simpson, as we are aware that they have raised the most opposition. [end recording]

Salvadorans in the United States were previously protected by a temporary protection status (TPS), better known as deferred forced exit. Nevertheless, the Salvadoran legislature will try to convince the U.S. Government to grant permanent resident status to those Salvadorans.

Deputy Figueroa believes that a massive deportation would be fatal for El Salvador as the country is not in an economic or social position to receive them.

President's Wife Says Calderon Sol To Resign From ARENA Post

PA0910040694 San Salvador EL DIARIO DE HOY in Spanish 7 Oct 94 p 4

[FBIS Translated Excerpt] Nationalist Republican Alliance, [ARENA] President Armando Calderon Sol will resign his post during next Sunday's [9 October] general assembly, Mrs. Elizabeth de Calderon Sol, the president's wife, has stated.

The first lady added that her husband will resign from the top ARENA post because he does not have the time to lead the party and the nation at the same time.

She added that ARENA is solidly united and there will be no surprises in Sunday's regular convention, since the only change expected is her husband's resignation from the post he holds within COENA [National Executive Council]. An acting president will serve the rest of the term to which Calderon Sol was elected.

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Mrs. Calderon Sol made this statement to reporters whom she summoned to inform them about her upcoming trip to St. Lucia, where she will attend the 4th Conference of Wives of Heads of States and Government of Latin America and the Caribbean scheduled 11-14 October on that Caribbean island. [passage omitted]

President Denies Resignation Report

PA0910142194 San Salvador LA PRENSA GRAFICA in Spanish 8 Oct 94 p 3a

[FBIS Translated Text] President Armando Calderon Sol denied yesterday he was resigning as the top leader of his party, ARENA [Nationalist Republican Alliance], because his mandate is in force, although he left open the possibility of delegating the post to another National Executive Council [COENA] member.

According to morning newspapers, First Lady Elizabeth de Calderon Sol announced the president will quit COENA this weekend, asserting that he does not have the time necessary to perform his party functions. President Calderon Sol, however, denied that report, stating "they put in my wife's mouth words she did not utter." A convention will be held in a San Salvador hotel on Sunday [9 October] to analyze matters dealing with the party's work and set goals for the future. There has been no word on the meeting's agenda or points to be discussed. "It will be a demonstration of what ARENA is: a united political force with spirit and a defined ideology," the president stated.

The meeting, he added, will be a sign of unity in which the exercise of democracy will be evident through partisan political participation.

When asked about his resignation as COENA president, Calderon Sol replied during a news conference that the party's statutes do not compel him to resign, which is why he dismissed the published reports citing the first lady.

He announced, however, there will be "a surprise" during the convention but declined to disclose it for unspecified reasons. "Expectation exists on what will happen (Sunday)," he stated.

Yesterday, ARENA deputies voiced their surprise over Calderon Sol's resignation, which the first lady announced but the president denied, because they were not aware of it and expected the president to announce it personally during the ARENA meeting on Sunday.

Deputy Carmen Elena Calderon de Escalon stated on that occasion that in her opinion, Calderon Sol could delegate that post to some COENA member and remain the ARENA president, because the party statutes allow it and because he was elected for a two-year period, which ends in October 1995.

"It is my personal opinion that he should delegate that post to someone else since his multiple functions prevent him from fulfilling his role as the head of ARENA, but he must not resign," Deputy Calderon de Escalon stated, adding it is unlikely COENA will be restructured.

Walter Araujo stated the president was elected to COENA in October of last year for a two-year period, and what could happen is that the president may decide to quit or delegate someone to the post. In both instances, he will be replaced, but the difference is he would remain the ARENA president. "But we cannot be quick to form an opinion because we do not know what Calderon Sol's private thinking is on this."

He said that that this is something the president of the Republic and ARENA must decide personally at any given time and that the party has not been officially informed through other means about the first lady's views.

Logically, after learning about Mrs. Calderon Sol's remarks, the ARENA president may want to quit his duties, and so he will be immediately replaced for the rest of the COENA mandate. Araujo asserted that the general assembly could name the replacement.

President Calderon Sol has lately been assigning Guillermo Sol Bang to represent him as ARENA president owing to his multiple functions, Araujo stated. He added that if the proposal to have Sol Bang replace Calderon Sol stems from party leaders who think this way, he will support him. Sol Bang is currently the president of the Lempa River Hydroelectric Executive Commission (CEL). "We approve of Sol Bang; we recognize his merits in revamping the financial aspects to consolidate the party, and if he is proposed to serve out the president's mandate, we will fully support it," he added.

Guatemala

De Leon Interviewed on Talks With URNG, Cease-Fire

PA0810185594 Guatemala City Teleonce Television in Spanish 1900 GMT 5 Oct 94

[Report on interview with President Ramiro De Leon Carpio by unidentified correspondent at the inauguration of a school in Guatemala City on 5 October; from the "Telepress" newscast—recorded]

[FBIS Translated Excerpt] [passage omitted] Answering a reporter's question on the government's position regarding the National Guatemalan Revolutionary Unity's [URNG] proposal to resume the talks in Guatemala, President Ramiro de Leon Carpio said: We had breakfast with all COPAZ [Peace Commission] members and the defense minister today to study the URNG proposal. As I said yesterday, there is a standing agreement to meet in Mexico. We believe Mexico is a more suitable place to resume the talks with them. As for meeting in El Salvador, the Salvadoran president has

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already said the conditions in his country are not favorable. So we must keep talking in Mexico. I also said yesterday that shifting the talks to Guatemala entails the problem of seeking and finding a suitable legal reason. Nevertheless, I can say the government could accept this proposal if it were truly a condition to attain peace and if they accept amnesty. This means a cease-fire. In other words, if the rebels accept amnesty and return to society, we can resume the negotiations. This would also mean that terrorist activities and the intensity of attacks would cease; in a word, there would be a cease-fire. Under these conditions, and after they have accepted amnesty, the government would be willing to talk with them in Guatemala. This would account for the legal aspect of the talks. If we try to find a different legal reason, it would take the Congress a long time to hear the matter and issue a ruling. For these reasons, we are convinced that the talks should be resumed in Mexico. The agreed upon schedule should be followed and the negotiations should be resumed in Mexico as soon as possible. Not only should the schedule be maintained, but the agreements should be complied with. On our part, we have complied with them. You will soon notice a stepped up compliance of all commitments derived, not only from the General Human Rights Agreement, but from all other agreements as well. As I said, however, if they, as others have done, accept amnesty and remain seated at the negotiations table, we can meet in Catedral, the Central Park, Quiche, or anywhere else.

[Unidentifed correspondent] Do you think that the number of MINUGUA [UN Mission for Guatemala] observers is excessive and that the police would be subject to investigation?

[De Leon] I will take the opportunity to clarify that this is not a controversial subject. What President Coprede said was apparently controversial but it really is not. The mission head and President Coprede himself have already clarified it. The number of mission personnel should be consistent with the money available and the mission's purpose. The idea should not be to bring any large number. Anyway, we are willing to cooperate with all who come. But we also have a part to play regarding this mission. We must see to it that offices are provided for the mission in the various department capitals, as well as transportation in some cases, telephones, and the like, as far as possible. Of course, our lack of financial resources, the situation we are going through, will make it hard for us to meet the expenses of a large number of delegates, a sort of an army. Nevertheless, I think the United Nations is sure what the goals and the objectives are, as well as what an adequate number of delegates is. For the type of solutions that the mission is coming to implement here, I would say quality, rather than quantity, is required. For this reason, we hope the calibre of the mission will be good enough. May I reiterate that there is no disagreement. Quite the contrary, I have issued the corresponding instructions. Today, I even talked to President Coprede. We are willing to cooperate with the mission delegates in every possible way. Today, I sent a note to the United Nations with a list of the Guatemalan Government's commitments. I also sent the corresponding notes to the ministries on their respective instructions. We are not only talking but confirming with deeds our compliance with the signed agreements, including the introduction of a proposal about the military and social services and other things derived thereof, such as strengthening human rights institutions, in particular the Human Rights Ombudsdman's Office.

[Correspondent] Will the mission investigate violations?

[De Leon] Well, the functions have been clearly defined in the agreement for the creation of the International Immediate Verification Commission. We will cooperate with them to facilitate their work, according to the law. They can do anything they want, provided they do not violate national laws or do things that pertain to other institutions, things that not even the president of the Republic, the Congress, or authorities can do or permit. The delegates are coming for a specific mission but under Guatemala's current legal provisions. So let us not talk about whether or not they will investigate. They are coming for a specific verification mission on human rights. In this work, they will have to obey Guatemala's specific laws. Certain institutions are in charge of conducting certain types of investigations. We will not change these things overnight because we would violate the law. If we do not violate it, neither will they. So there will be no trouble at all. They will do their work according to the Guatemalan law. Something similar would happen if we go to the United States or France in a special mission. We would have our instructions but would obey the laws of the country, which we cannot change or violate. [passage omitted]

Peace Commissioner Awaiting Word on Talks

PA1010000594 Guatemala City Teleonce Television in Spanish 1900 GMT 7 Oct 94

[From the "Telepress" newscast]

[FBIS Translated Text] Hector Rosada Granados, coordinator of the Guatemalan Government's Peace Commission, today denied that an official date has been set for restarting talks with the URNG [Guatemalan National Revolutionary Unity] in Mexico, as announced yesterday by UN moderator Jean Arnault. According to this latter information, which has not been confirmed, the UN moderator has summoned the two sides to meet in a few days.

[Begin recording] [Rosada Granados] I have tried without success to communicate with the moderator this week, but I have been unable to do so. He has not been in his office so I have not been able to confirm if yesterday's report is true. I hope that the news source based its report on something official.

At any rate, I do have right now official information on the possibility that there may be a meeting on some date yet to be determined. It would be great for us if it were

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next week. In fact, at a subcommittee, or rather at the end of a subcommittee meeting, we spoke about the possibility of a meeting between 10 and 15 October, that is, to begin the meeting on the 10th or the 15th. But, again, it [word indistinct]. If we receive no news today, I will make an official call to find out what is really happening.

[Unidentified reporter] [words indistinct]

[Rosada Granados] It seems that Dr. Arnault went to California to participate in an Arias Foundation activity. Later he must have participated in some other activity. I left him several messages on his answering machine but have not received a reply. I am really concerned about this because we are all waiting for the meeting. The government has signaled its interest in and urgent desire to return to the negotiating table. We want an answer from a meeting. If that is not possible, we need an explanation why.

[Reporter] [words indistinct]

[Rosada Granados] The site? The moderator would consult with the two parties, but that is a question of consulting by telephone. It would not be necessary to call a subcommittee meeting. As a matter of fact, at the last subcommittee meeting that particular issue was almost cleared up. I say almost because the guerrilla command had proposed El Salvador, but there are official reports that the president of El Salvador has said this would not be convenient considering the status of their own peace process.

We then insisted on Mexico. In fact when we began the negotiations we believed that the entire negotiating process was going to take place in Mexico. Only under extraordinary circumstances—for example, the recent Mexican presidential elections—would we agree to change the site. We want the negotiations to continue in Mexico. We have already said that we have confirmation from the Mexican Government, from President Salinas de Gortari and former U.S. President Jimmy Carter, that they want the negotiations to continue in Mexico.

[Reporter] [Words indistinct] that this week [words indistinct].

[Rosada Granados] No, no. This has not been ruled out. It is good to say this again, in spite of talk that any analysis of the issue would indicate that [word indistinct] to resolve their legal status. This is not a political matter. It would be a political matter only if the government were involved. But they have affected private property, goods, and people. This is no longer a political matter, but a criminal matter.

It is not that the government has problems with their return or that the government would like to file suit against them. It is not that at all. It is that private individuals could rightfully demand, either individually or collectively, reparations from the criminals. This would block the negotiations. The moment a legal suit is filed against them, this would prevent us from negotiating. This is the main point.

Second. If we were to negotiate in Guatemala, we would need a [words indistinct] and the commitment that there would be no more terrorist activities and no war taxes. Otherwise we would have more of the same. Activities that have prevailed in the past must end. Otherwise we would continue living with the uncertainty that those people might continue committing crimes. [end recording]

URNG on Guatemala Venue for Peace Talks

PA0910183094 Guatemala City PRENSA LIBRE in Spanish 6 Oct 94 p 4

[FBIS Translated Text] Miguel Angel Sandoval, member of the political-diplomatic commission of the Guatemalan National Revolutionary Unity, URNG, has said the URNG believes that the renewal of the peace negotiations in Guatemala would allow greater participation by all interested sectors and would prevent misinformation regarding the peace process.

The rebel leader said that it would be advantageous if negotiations were held in Guatemala, because there would be wider and better coverage of the negotiating process and the local media would be present.

Sandoval criticized the government's position, as expressed by Hector Luna Trocoli, that the URNG's proposal seemed feasible but that a legal mechanism should be found to allow the guerrilla leaders to reenter the country.

The government's proposal could not be more unsound since the fact of using legal arguments to solve a political problem shows the government's lack of political will, Sandoval concluded.

Since the beginning of the negotiations with the government, the URNG has proposed that the negotiations be held anywhere in Guatemala, but influential sectors exerted pressure to have the proposal rejected.

Sandoval insisted that the guerrilla leaders simply needed personal security guarantees, and in this case, a group of friendly countries, including Spain, Mexico, Colombia, Venezuela, the United States, and Norway could take charge of their security.

If the government were to accept that the talks be held in Guatemala, the URNG would increase or reduce its delegation, Sandoval added.

In conclusion, the URNG said it has received letters from diplomatic missions praising and supporting its proposal to the government regarding the site of the peace talks.

URNG Propaganda Found

The URNG yesterday distributed a large quantity of leaflets with antigovernment slogans and sheets with

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phrases alluding to its movement in various locations throughout the city, which were removed by the National Police.

Among the locations chosen by the insurgents to distribute their propaganda were the tenement housing parking lot in Nimajuyu colony, Zone 21, and the areas surrounding Guatemala's University of San Carlos, where a number of sheets were still visible by midday.

Honduras

'Satisfaction' Expressed With Cedras Resignation

PA1010195094 Mexico City NOTIMEX in Spanish 1900 GMT 10 Oct 94

[FBIS Translated Text] Tegucigalpa, 10 Oct (NOTIMEX)—The Honduran Government expressed its satisfaction today over the resignation of Haitian General Raoul Cedras, who ousted constitutional President Jean-Bertrand Aristide on 30 September 1991.

Honduran Presidency spokesman Juan Ramon Duran told NOTIMEX "the government of President Carlos Roberto Reina views Cedras' resignation with satisfaction, as it will help in the advancement of democracy in Haiti."

He added that Honduran foreign policy regarding Haiti has always been based on UN decisions. Duran reiterated that the Honduran Armed Forces will send a contingent of approximately 100 men in the next few days to participate in the peacekeeping force in Haiti, under UN orders.

Cedras presented his resignation today to the Haitian Government to permit the return of Aristide in accordance with the agreements made between the military and a U.S. Government delegation several weeks ago.

Reina Expresses 'Respect' for U.S. Radar Dismantling

PA0810031894 Mexico City NOTIMEX in Spanish 0146 GMT 8 Oct 94

[FBIS Translated Text] Tegucigalpa, 7 Oct (NOTIMEX)—Honduran President Carlos Roberto Reina expressed his "respect" today over the U.S. decision to dismantle a radar installation on the Atlantic coast of this Central American country.

"If the United States wishes to remove its controls on (the struggle against) drug trafficking, that decision falls within its prerogative," Reina said, commenting on reports regarding the withdrawal of the radar installation in Trujillo, 570 km northeast of Tegucigalpa.

When questioned about his knowledge of the dismantling of the radar, which was used to detect drug trafficking movements in Central America, Reina said "the president of the Republic is well informed about everything taking place in the country."

Official sources who have asked to remain anonymous have expressed to NOTIMEX the concern of the Reina administration over the withdrawal of the powerful radar, because Honduras will lose an important tool against drug trafficking over its sea and air territorial spaces.

"It is worrying that the United States has begun to dismantle" the radar, the installation of which in 1988 was part of the Caribbean Basin Radar Network, installed to oversee the drug trafficking movements in the area, the source added.

Other sources have reported the United States also withdrew the radar it had installed on Amalapa Island, in the Gulf of Fonseca in the Pacific, to prevent the shipment of weapons from Nicaragua to the former Salvadoran guerrillas during the last decade.

Sources at the U.S. Embassy in Tegucigalpa have declined to provide additional information on Washington's motives to dismantle the radar and did not state whether these actions were reported to the government of President Reina.

Military: No Information on Dismantling

PA1010015594 Panama City ACAN in Spanish 2228 GMT 9 Oct 94

[FBIS Translated Excerpt] Tegucigalpa, 9 Oct (ACAN-EFE)—The Honduran Armed Forces has no information on the U.S. decision to dismantle a powerful radar system that monitors drug trafficking activities, which is installed in Trujillo, a Caribbean area in this Central American country, a local military source reported today.

Last Friday [7 October], a civilian Honduran source reported that the United States had started to dismantle the radar in Trujillo that was installed during the administration of President Rafael Callejas, which ended on 27 January 1994.

"We have no information on the reported U.S. decision. It surprises us because Honduran authorities should be notified of any action they plan to take," said an officer who talked to ACAN-EFE.

The Honduran officer emphasized that "we are concerned because in the future they might come out and say that Honduras is a narcodemocracy, as has occurred recently in Colombia." [passage omitted]

Because Honduras has been a bridge for international drug trafficking activities, it requested the cooperation of the United States. The latter has installed six powerful radar systems in several Central American and Caribbean countries; one of those radars is in Trujillo, in the Honduran Caribbean area.

The North Americans also have a group of DEA agents in Honduras; six are in charge of managing the radar in coordination with the army in this Central American country.

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Honduran President Carlos Roberto Reina said on Saturday that it is the United States' sovereign decision to dismantle one of the at least three radars it has in Honduras to control drug trafficking activities. [passage omitted]

The Honduran civilian source that provided the information indicated that apparently the Trujillo radar is being dismantled because its operation is "very expensive."

But, according to local military sources, U.S. military soldiers are in fact building a road leading to the place where the radar is installed in the Trujillo area.

Nicaragua

Leal on Alleged Supply of Arms to Mexico's EZLN

PA0810042894 Managua Canal Cuatro Television in Spanish 0400 GMT 5 Oct 94

[From the "Extravision" newscast]

[FBIS Translated Text] Foreign Minister Ernesto Leal has promised the Nicaraguan Government will investigate a statement by General Antonio Riviello Bazan, the Mexican defense secretary, who said on 3 October the Zapatist Army of National Liberation [EZLN] has highly sophisticated weapons obtained from Nicaragua. Riviello Bazan did not specify who could have sent those weapons to the EZLN.

Meanwhile, Leal has said he will contact his Mexican counterpart first before beginning an investigation:

[Begin recording] [Leal] We have no information on this matter. I had a breakfast meeting with Mexican Foreign Secretary Manuel Tello who was accompanied by his working team. We did not discuss that subject. I understand that the Mexican defense secretary made that statement. Obviously, we must conduct thorough investigations if there are suspicions.

[Reporter] What will the government do? This is the second time Nicaragua is involved in something like this. Two Nicaraguans were arrested some months ago [words indistinct] we would like to know what the government plans to do.

[Leal] As I said, we have no knowledge about this matter. I also met with Colombian Foreign Minister Rodrigo Pardo yesterday, but we did not discuss this subject, as there was no information on it. Irrespectively of whether we discussed the matter—as I said, he was not aware of this matter—we must conduct a thorough investigation. The fact that Nicaraguans are also [words indistinct] is really too much. We arrested during the past four years.... [pauses] Arms trafficking was reduced during the past year, but the situation was different during the previous three years as you know.

[Reporter] Do you think there is reason to worry?

[Leal] No. I do not believe there is any reason to worry. Should there be any cause for concern, we should obviously conduct an investigation. [end recording]

Presidency Minister Meets Spain's Gonzalez

PA0810044194 Managua Sistema Nacional de Television Network in Spanish 0200 GMT 5 Oct 94

[From the "National Newscast"]

[FBIS Translated Text] A Nicaraguan delegation headed by Presidency Minister Antonio Lacayo has met with Spanish Prime Minister Felipe Gonzalez who expressed interest in Nicaragua's political and economic development.

Spain offered Nicaragua participation in the next round of negotiations with the Paris Club to support a reduction in the Nicaraguan debt. Nicaragua has also managed to obtain authorization for the disbursement of funds to purchase hospital equipment, based on an agreement signed with Spain.

These meetings with the Spanish Government are taking place simultaneously with the World Bank and IMF annual meeting. Lacayo, representing the Nicaraguan Government, supported a request from IMF Director Michel Camdessus to the countries comprising the G-7. They were asked to channel $50 million through the IMF for developing countries and countries under structural adjustment plans, such as Nicaragua.

Nicaragua also supported an IMF proposal before representatives of more than 160 governments to forgive 66 percent of the debt of poor countries that are IMF members.

Meanwhile, in a statement for the Spanish daily EL PAIS, Lacayo said reconciliation is the only viable policy in his country. He announced he will be part of a center-minded political alliance in the 1996 elections, which will guarantee national stability. He also said the new Army chief who will replace General Humberto Ortega will be appointed by constitutional mandate in December.

Panama

Ministry Spokesman: Government Not Prepared for Cedras

PA1010171394 Panama City ACAN in Spanish 1632 GMT 10 Oct 94

[FBIS Translated Text] Panama City, 10 Oct (ACAN-EFE)—Panama has not made "any preparation" for the possible arrival of the Haitian Army chief, General Raoul Cedras, who announced after resigning today that he will leave the country.

Panamanian President Ernesto Perez Balladares said shortly after taking office on 1 October that he was

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willing to offer asylum to Cedras if this would help resolve the Haitian crisis and avoid a U.S. invasion of Haiti.

A Foreign Ministry spokesman told ACAN-EFE today the Panamanian Government "has not made any preparation to receive Cedras or has any indication that he could arrive." According to unconfirmed reports, Cedras could seek asylum either in Argentina, Jamaica, Spain, or Venezuela.

Raoul Cedras was one of the coup leaders who just over three years ago overthrew exiled President Jean-Bertrand Aristide, who will return to Haiti in the next few days.

Cedras' resignation and his announced departure from the country are the result of the U.S. military intervention in Haiti, where the United States has deployed 1,000 troops to reestablish legal democracy.

Editorial Views Agenda of U.S. Ambassador-Designate

PA1010011394 Panama City EL PANAMA AMERICA in Spanish 9 Oct 94 p A6

[Editorial: "Robert Pastor's Agenda"]

[FBIS Translated Text] As we predicted, Robert Pastor, close aide of former U.S. President Jimmy Carter and admirer of the late Omar Torrijos, has been approved as the new U.S. ambassador to Panama by a very broad margin in the Senate Foreign Relations Committee. He still has to be confirmed by the full Senate, which is controlled by the Democrats.

Some are predicting stumbling blocks and delays because the Senate is on the verge of wrapping up its session, which would not allow sufficient time for his confirmation. Some say that things might get complicated for him if Democrats lose their majority in the partial elections scheduled on 8 November for said body.

Meanwhile, Pastor continues his agenda undeterred, getting ready for what he regards as his imminent appointment in Panama, which he has been working on through Carter since last year. For some reason, becoming ambassador here seems to have become for him a true obsession.

Panama has a strange fascination with him. He said as much to a Panamanian diplomat with whom he had a lengthy interview in Miami. He continues to see the Canal Treaties as his masterpiece.

His role in convincing Somoza to yield power to the Sandinists was very difficult and delicate. At that time, all Latin America was pressuring the United States to stop supporting the Nicaraguan dictator, on whom Torrijos had declared something short of war.

Torrijos turned the country into the chief ally of Tomas Borge's guerrillas. The rebels were allowed medical attention, rest, and whatever was necessary to continue the war. Virtually all the main guerrilla commanders freely came and went to Panama. Even several Torrijos aides fought in Nicaragua and carried war materiel to Humberto Ortega. The rest is history.

The Panamanian dictator was working with Pastor on a rapprochement between the United States and Cuba when his plane crashed mysteriously into Marta Mountain. Torrijos adviser Chuchu Martinez wrote that the CIA killed Torrijos, perhaps out of unhappiness with his activities.

Today fate seems to have created an uncanny coincidence for the country. Carter has returned with influence to the White House. Torrijos has returned through his disciples. The Canal is a problem again, and Cuba continues to be a headache.

True, Central America is no longer a haven for guerrillas. But, some miles east of the waterway, the presence of the powerful Colombian guerrillas, enriched by narcodollars, is no laughing matter.

With five years to go before the Canal is returned to a country incapable of defending itself from common criminals, Clinton has decided to send us his most experienced man. The bases and Castro will surely be on his agenda.

Poll: Most Panamanians Want U.S. Bases to Remain

PA0710204494 Panama City EL PANAMA AMERICA in Spanish 6 Oct 94 p 1A

[Report by Juan Pritsiolas]

[FBIS Translated Text] Most Panamanians have rejected the privatization of the electric power and telephone institutions, while seven out of every 10 Panamanians want the United States to keep its bases in Panama.

The most recent poll prepared by the CID/Gallup firm for EL PANAMA AMERICA reveals that 67 percent of 1,205 people polled in their homes by CID/Gallup reject the sale of IRHE [Institute of Hydraulic Resources and Electrification] and INTEL [National Institute of Telecommunications].

When he took office, President Ernesto Perez Balladares announced that those two companies and IDAAN [National Water and Sanitation Institute] would become corporations with the participation of the private sector.

According to the poll conducted from 8 to 18 September, only 25 percent of those polled said they agreed fully, somewhat, or slightly with the privatization of these strategic state companies.

Meanwhile, 69 percent of those polled said they agreed with maintaining Southern Command bases beyond the year 2,000, the year in which—according to the Canal Treaties—U.S. troops must leave.

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Of those polled, 25 percent expressed their rejection vis-a-vis that possibility and 6 percent did not answer the question.

As for the U.S. invasion on 20 December 1989, the poll detected that 54 percent believe that it was "necessary," but that view was rejected by those polled who were PRD [Democratic Revolutionary Party] members.

Assembly Ratifies Constitutional Reforms Eliminating Army

PA0710225694 Panama LA PRENSA in Spanish 5 Oct 94 p A-1

[Report by Hermes Sucre Serrano]

[FBIS Translated Text] The Legislative Assembly ratified last night the constitutional reforms eliminating the Army in the Republic of Panama by 53 votes in favor, 11 votes against, and two abstentions.

Following a week of intense debates, the Legislative Assembly approved Act No. 2, by which the preamble is substituted, new precepts are introduced, a chapter is repealed, and reforms are made to various titles, chapters, and articles of the Constitution.

According to the reforms, special police forces may be temporarily organized to protect the border and the country's jurisdictional areas only in response to a threat from abroad.

Under the title concerning the Public Force, the reforms establish that the president is the head of all established services, and these, as agents of the authority, will be subordinate to civilian power. The Public Force will, therefore, obey orders issued by national, provincial, or municipal authorities in executing their legal work.

The reforms served to clarify that the police services are not deliberating bodies and that their members cannot make or issue political statements, either collectively or as individuals. The police cannot participate in partisan politics, except to cast a vote. Disobedience of this rule will be punishable by immediate dismissal, in addition to the punishments established by law.

Democratic Revolutionary Party (PRD) legislators, most of whom backed the reforms, reiterated they cast a favorable vote to contribute to the national agreement the country needs for the economic takeoff and family unity.

PRD Legislator Gerardo Gozalez said that with the constitutional reforms, with a view to eliminating the Army, the Legislative Assembly has laid "an ambush" that could have dire future consequences for Panama as an independent country.

Gonzalez said what is intended is not to eliminate a word but, rather, to eliminate Panama's right to defend itself as a free country.

"The Legislative Assembly should reflect on this before agreeing to the legislative act through this reform," Gonzalez said shortly before the approval.

Gonzalez recalled that Panama needs a specialized military force to avoid guerrilla incursions through its borders, to control contraband, drug trafficking (by land, sea, or air), illegal immigration, kidnappings, illegal fishing, and to preserve national forests, etc.

He insisted reverted areas and the projects that are to be developed there will be left unprotected due to a lack of a properly trained public force that guarantees the custody of goods and services.

Gonzalez said that the 1904 Constitution mentioned the creation of an Army in Panama and that President Arnulfo Arias Madrid's 1941 Constitution also included the possibility of a military service for security. "The 1972 Constitution makes no mention of an Army or military service," he added.

PRD Legislator Oyden Ortega said the idea of eliminating the Army in Panama is not a new concept, because this idea was a 1978 initiative by Omar Torrijos Herrera, shortly after approving the Torrijos-Carter Treaties, when he decided to fall back to the garrisons and leave the government in the hands of civilians.

Victor Mendez Fabrega, a Papa Egoro Movement legislator, said his party opposes the reforms, because what is needed is a nonpolitical parallel constituent assembly to draft a new Constitution.

Mendez Fabrega said mistakes in the current proposal need to be cleared in order to make a mistake-free draft bill that will then be submitted to a

President Confirms Hiring Ban

PA1010002794 Panama City EL PANAMA AMERICA in Spanish 9 Oct 94 p A1

[Report by Carlos Vargas and Carlos Anel Cordero]

[FBIS Translated Text] President Ernesto Perez Balladares has reiterated that he will not reemploy approximately 200 former members of the defunct Defense Forces. The former military men have threatened to demonstrate and take over the Legislative Assembly if they are not rehired.

Speaking yesterday at the graduation ceremony for 89 new National Police agents, Perez Balladares emphasized that, as he promised during his political campaign, he does not plan to rehire the members of the defunct Defense Forces dismissed by the Guillermo Endara administration after the invasion.

The president said he made this promise during his election campaign and that he plans to keep it, in spite of requests by some former military men.

Spokesmen for the former military men have told EL PANAMA AMERICA that if they do not receive a

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satisfactory answer to their demands this week, they could "disrupt the city" with demonstrations and seize the Legislative Palace, where the Legislative Assembly carries out its work.

The former soldiers also submitted their request for reemployment to the Legislative Assembly, which has summoned Government and Justice Minister Raul Montenegro to appear before the Assembly to report on the possibility of reintegrating former members of the Defense Force into the public forces.

Perez Balladares reiterated that he will only consider agents who formed part of the National Police until 1 January 1994. referendum.

Cabinet Approves Economic Plan

PA1010021294 Panama City EL PANAMA AMERICA in Spanish 3 Oct 94 p 1A

[Report by Arnulfo Barroso Watson]

[FBIS Translated Text] On Saturday [1 October], the Cabinet Council approved the economic plan of President Ernesto Perez Balladares' government. It is "completely" different from the one prepared by the previous administration, Economics Minister Guillermo Chapman told EL PANAMA AMERICA yesterday.

He refused to expand on the document, arguing that it will be revealed "soon," once final adjustments have been made.

"It involves in-depth adjustment in the public sector, that is, the government is telling society that we are going to make adjustments too so that the country can look to us as an example," he asserted.

Panamanian business groups have on several occasions asked Perez Balladares to reveal his economic policy to allow them to prepare for possible economic changes.

"The plan is completely different from the previous one. We started from scratch," he added.

Chapman explained that both public spending and the economy's size will be reduced. He said that this does not mean there will be an immediate cutback in spending, as the plan is to reduce the size of the government sector gradually and proportionally.

"The plan does not include massive firing, voluntary retirement, or withdrawing resources from essential programs. It is Perez Balladares' vision for a five-year period in which the public sector will be changed so that it will be relatively lighter and will focus on issues that require more government action," he said.

He explained that the document will be reviewed today and that modifications suggested by the ministers during the Cabinet Council meeting will be added to the plan before it is announced.

Chapman added that this plan is comprehensive because it addresses fundamental economic issues and because the changes it proposes will be carried out simultaneously.

President Briefs Media

PA0910021094 Panama City Circuito RPC Television in Spanish 1730 GMT 8 Oct 94

[From the "Day to Day" newscast]

[FBIS Translated Text] The economic plan proposed to the nation by the government is not etched in stone, nor is it written on sand, President Ernesto Perez Balladares has said, noting that the consultation and analysis of this plan cannot turn into a means for delaying the progress that everybody is demanding for Panamanian society. Talking to the owners of the country's principal news media, President Perez Balladares requested greater support for the plan and support from the most committed elements of society for a plan that, according to him, is geared to the well-being of the country as a whole. Perez Balladares emphasized that from this moment forward the plan is open to broad consultation, as it establishes the guidelines for development. Although accelerated, these guidelines cannot not be implemented in just five years. After stressing that the economic plan is not the exclusive work of one person in particular but of an entire government team, the president noted its implementation will be gradual so that it does not cause upheaval in different sectors. The president described as a good omen for the implementation of this plan the agreement reached by businessmen and workers through the Labor Foundation.

Also attending the meeting were Vice President Tomas Gabriel Altamirano Duque, Finance Minister Olmedo Miranda, Jr., and Econmics Minister Guillermo Chapman. The latter discussed the plan's highlights. Chapman said the government will do no less than what it is asking other segments of society in promoting national development. He added that as opposed to previous plans of this nature, this one is in line with campaign promises made by the current government. The president's inaugural address was marked for its overall nature, he added.

President Perez Balladares and Chapman recalled that their proposals were drafted without considering the criteria imposed by international financial organizations, meaning that the national interest was considered ahead of the criteria of these organizations.

Similar meetings will continue to be held with different sectors for consultations on immediate and future initiatives on economic matters in the Perez Balladares administration.

Privatization Anticipated

PA1010040394 Panama City LA PRENSA in Spanish 4 Oct 94 p 1A

[Report by Ibeth Vega]

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[FBIS Translated Excerpt] All of the major state enterprises should become corporations owned by the state with boards of directors that the president can freely appoint and remove. This is according to the new economic plan approved last Saturday [1 October] by the Cabinet Council.

Under the plan, those state-owned corporations will be obliged to publish financial reports prepared by independent auditors, in conformity with widely accepted accounting guidelines.

The new economic plan defines privatization as a means, not an end, which is why the "social" justification for the privatization of each of the major public service enterprises will be established, as will the best way to achieve this.

"The starting point will be privatization of the operation of major ports, although the state will still own the installations and oversee their operations, as is done in most of today's modern ports," the report stated.

Meeting over the weekend in Cerro Azul, President Ernesto Perez Balladares' Cabinet Council approved the new Economic and Social Plan designed to cope with the country's current situation.

According to Economics Minster Guillermo Chapman some changes were made to the document, and in the weeks to come it will be widely publicized so that different groups may comment on it.

"This plan will be the guide for organizing the administration's programs and projects and should obtain the support of different international lending agencies," Chapman said. He added that the new economic plan is different from the one developed by the administration of former President Guillermo Endara.

The official added that the idea is not to propose a sequence of actions for the five-year presidential term but to identify the chief tasks to be undertaken in the last quarter of 1994 and the first half of 1995.

Priorities include improving tax legislation; implementing pending tariff reductions; announcing social projects and plans for the general salaries law or, failing that, a wage freeze in 1995; establishing procedures by which ARI [Interoceanic Region Authority] may accelerate its actions; and implementing a short-term plan to eliminate obstacles to tourism, Chapman noted.

He added that there is no intention to reduce the state payroll, only to rationalize it, that is, to keep it stable.

With regard to the foreign debt, Chapman said that the handling of this problem will be subject to the need to restructure current spending to give priority to social problems and to generate enough savings to finance public investments. [passage omitted]

Labor Code To Be Changed

PA1010034194 Panama City EL PANAMA AMERICA in Spanish 6 Oct 94 p 11A

[Report by Juan Manuel Diaz C.]

[FBIS Translated Text] Economics Minister Guillermo Chapman has stated that the economic plan approved last Saturday [1 October] by the Cabinet Council includes some changes to the Labor Code that must be approved soon.

Chapman pointed out that changes in the government's labor policy cannot be delayed, and that the workers and industrialists have gotten used to working in "comfortable conditions." But the changes must be made.

Meanwhile, President Ernesto Perez Balladares described his government's economic plan as the point of reference within which Panama must modernize its economy.

"It is unfair for some sectors to say that a plan has been drafted without consulting them. What has been done is to adopt the general policies we have been proposing throughout the electoral campaign, during the government transition period, and during this month," Perez Balladares pointed out.

Chapman, on the other hand, said that the labor code will be modified with the purpose of increasing employment, attacking the high cost of living, and attracting foreign investment.

At the same time, the minister admitted that "the changes will be traumatic," but the most sensitive topics will be presented to the affected groups so there can be a broad debate and we can reach a national consensus. Chapman emphasized a more aggressive tax collection policy.

Unions, Industrialists React

PA1010041494 Panama City EL SIGLO in Spanish 4 Oct 94 p 41

[Report by Veronica Tamayo and Magaly R. Montilla]

[FBIS Translated Excerpt] [passage omitted] Economics Minister Guillermo Chapman said he had a great deal of confidence that the economic plan would be successfully implemented and will consequently allow the next government to take over a country with an increasing growth rate and that will be joining the North American Free Trade Agreement with 5 percent unemployment and equitable distribution of its resources.

According to Chapman, with this plan the Panamanian economy will be more competitive, will facilitate job creation, and will improve things for all Panamanians. [passage omitted]

Chapman referred to the last economic plan's failure and said it had failed because they tried to impose it. He asserted that he would not make the same mistake. He pointed out that the new document will try to correct distortions that are now having a negative effect on our economy.

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The country's productive sectors will be allowed to completely study the economic plan. This is a delicate matter, and experience has left its scars, he said. He added that the document will also guarantee economic support from international financial institutions.

On another tack, union leaders have rejected the new economic plan because they do not know its contents. Furthermore, the plan has not been debated. This could have negative repercussions for national development, they observed.

Marcos Levy, secretary general of the National Institute of Telecommunications Workers Union (SITINTEL), maintains that the government is trying to impose an economic plan without consulting on it with anyone in advance. This will prompt totally negative reactions.

Levy referred to the INTEL [National Institute of Telecommunications] case, where a reorganization plan is being proposed. SITINTEL, he said, is not opposed to discussing the plan but is alert to the measures it proposes, as they could negatively affect consumer interests.

Cesar Augusto Nunez, the secretary of the Confederation of Workers of the Republic of Panama (CTRP), said the decision to approve the economic plan had been "unexpected," since it is "the national productive sectors are uninformed." Such a measure goes against the so-called "preelectoral concerted effort" of President Perez Balladares.

Constantino Nunez, the secretary general of SITIRHE [Union of Workers of the Institute of Hydraulic Resources and Electrification], emphasized that neither the workers nor the people know about the plan. He thus feels it should not be implemented until it has been widely publicized and discussed with all sectors involved.

Julia Suira, the CONATO [National Council of Organized Workers] spokesperson, said that this too will be an "imposed" plan and that workers can only be on the defensive about it because they do not know if it will benefit them.

Business and industrial groups also agreed in pointing out that President Perez Balladares' economic plan "has not been consulted on." They also made a number of recommendations.

Luis Barraza De Freitas [president of the Association of Panamanian Industrialists] said that no one can feel "optimistic about what lies ahead," mainly because the industrialists have already contributed to the reduction of custom tariffs.

According to Barraza De Freitas, economic modernization requires that public service problems be resolved because they are expensive and inefficient and negatively affect the productivity and competitiveness of all those who invest in this country. "As long as this situation persists we will remain at a disadvantage with countries that practice unfair trade."

Dario Selles, the president of the CONEP [National Council of Private Enterprise], asserted that the approval of the economic plan is a cause for concern because it had been said that the plan would be the product of a joint effort. This has not been the case." [no opening quotation marks as

Consultation Promised

PA1010042094 Panama City LA ESTRELLA DE PANAMA in Spanish 5 Oct 94 p A7

[Report by Esteban Huertas G.; from "Jaime Aparicio's Section"]

[FBIS Translated Text] Yesterday, at a ceremony held to grant scholarships at the Lion's Club gymnasium in El Maranon within the framework of a scholarship program, President Ernesto Perez Balladares said that Panama must modernize its economy.

The president said that proposals from all sectors will be considered.

Perez Balladares noted that the economic plan will be implemented as long as it represents the majority's political will.

According to Perez Balladares, the new government does not approve of the Ford Plan, since his administration has drafted its own. It is to be discussed with all sectors.

Regarding charges of alleged rapes inside the "The Children of God" sect, the president said this situation is being handled by the Juvenile Court and the Office of the Assistant Prosecutor.

Perez Balladares also said his government will maintain close and continuing relations with the people during the five years of his administration.

The administration has created a fund worth 3 million balboas for the Scholarships Plan for Training, which will last until December and benefit approximately 4,380 women, including 800 from Panama Province. published]

Consultations To Begin

PA1010043094 Panama City EL SIGLO in Spanish 9 Oct 94 p 2

[Report by Magaly Rocio Montilla]

[FBIS Translated Text] The national government will soon begin a period of consultations on the economic plan, President Ernesto Perez Balladares said yesterday. He pointed out that it is not true that the plan has not been consulted with various sectors.

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Perez Balladares said that spokesmen for various groups who have pointed out that they have not been consulted on the plan "are wrong."

Perez Balladares added that during the electoral campaign, the transition period, and the initial days of the administration, various ideas related to the economic plan have been made public, and these have been included in the document.

According to officials in the current government, the economic plan interprets the national reality, characterized by high unemployment and poverty and the poor distribution of income. This last item is one of the worst on the continent.

He gave assurances that ever since the beginning of the electoral campaign, conversations on this subject have been held with various national groups. Therefore, it cannot be said that the economic plan has not been discussed.

He said that the Legislative Assembly must discuss and approve several laws required for implementing this plan. During that time the plan will be discussed and analyzed.

According to Economics Minister Guillermo Chapman and the president of the Republic, this economic plan was prepared without any impositions from the international financing institutions [IFIS]. This means that the economic plan has placed national interests above any IFIS ideas.

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Argentina

Syrian Arrested With Explosives, Iraqi Credentials

PY1010140094 Buenos Aires TELAM in Spanish 1408 GMT 9 Oct 94

[FBIS Translated Text] Buenos Aires, 9 Oct (TELAM)—A Moron federal judge today began interrogating 'Ali al-Hasan, a Syrian citizen detained with four sticks of dynamite and Iraqi Embassy credentials. Al-Hasan is being held at the Regional Unit in Moron District. This information was supplied to TELAM by police sources, who indicated that according to his passport, the detainee had been touring "the entire Arab world over the past few years," but denied in an ambiguous way that he owned the explosives.

The sources explained that if he believes the detainee was involved in the AMIA [Argentine-Israeli Mutual Association] terrorist attack, Buenos Aires federal Judge Juan Jose Galeano might interrogate him within 48 hours.

The detainee was arraigned this morning in the Moron court headed by Judge Susana Morris Douglas for possession of explosives, which represents a federal crime. Nevertheless, some elements uncovered by the Moron Third Police Precinct and Moron Regional Unit detectives might seriously involve him in the attack in which around 90 people were killed and 150 were injured. The sources reported that the detainee carried credentials accrediting him as an "Iraqi Embassy military attache," but the same sources pointed out that the Iraqi Embassy had denied any knowledge him.

With regard to the large quantity of explosives in al-Hasan's possession, the detainee reportedly told the police that he was unaware of the existence of the explosives discovered by the police. All the sources agreed in pointing out that the Syrian indicated that a person who had stayed in his home, but left later, had possibly left the explosives there. The discovery of the explosives did not lead the detectives to suspect that they were in the presence of a possible AMIA assailant until they discovered that the detainee was in the possession of a large quantity of newspaper clippings on the AMIA bombing.

Interior Security Secretary Brigadier Andres Antonietti last night confirmed to TELAM the detention of Syrian citizen 'Ali al-Hasan.

The Buenos Aires Province police raided al-Hasan's house at 400 Aristobulo del Valle Street, Castelar Sur District, west of Buenos Aires. The raid was prompted by investigations carried out by trial Judge Ruben Cano into illegal electrical connections. After the explosives were discovered, Judge Cano advised Judge Morris Douglas, who reported the case to Judge Galeano and subsequently ordered further proceedings to determine the detainee's true identity.

Two More Syrians Detained

PY1110022994 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2113 GMT 10 Oct 94

[FBIS Translated Excerpt] Buenos Aires, 10 Oct (NA)—Interior Minister Carlos Ruckauf today said in the next few hours "we might have new arrests" as a result of the arrest of three Syrian citizens for their alleged connection with the terrorist attack on the AMIA [Argentine-Israeli Mutual Association] headquarters. [passage omitted]

Tomorrow Moron Federal Judge Susana Raquel Morris Douglas will interrogate the two Syrian citizens recently arrested in the town of Castelar for their alleged connection with arrested Syrian citizen 'Ali al-Hasan, who is suspected of having participated in the attack on the AMIA.

The judge will question Ernesto Tanuz and his son Julio, owners of the premises and the house where al-Hasan was arrested and where police found four packages of trotyl [trinitrotolueno—TNT] and newspaper clippings of the attack on the AMIA. [passage omitted]

Yesterday police detained Ernesto Tanuz, 64, and his son Julio, 24, at a house located at 400 Aristobulo del Valle Street, in the Buenos Aires town of Castelar. The premises were rented by Syrian citizen al-Hasan, who was arrested in the same house on 8 October. On the premises police seized four packages of trotyl, a passport indicating that al-Hasan had made a recent tour of Arab countries, and newspaper clippings on the AMIA attack. The new arrests made last night are a consequence of the judge's interrogation of al-Hasan.

The judge ordered that al-Hasan be kept in jail incommunicado despite the fact that the Syrian citizen denied all charges against him and stressed that the items seized during his arrest did not belong to him. Sources close to the judge said that it has already been confirmed that Federal Judge Juan Jose Galeano, who is in charge of the investigation of the bloody attack against the AMIA, might interrogate al-Hasan in a Buenos Aires court. [passage omitted]

Vice Foreign Minister Fernando Petrella said today that "the country continues to investigate" the attack against the Jewish center on 18 July, in which nearly 100 persons were killed. [passaage omitted]

Counting al-Hasan, who is about 25, a total of more than 20 individuals have been arrested in connection with the attack on the center, located at 633 Pasteur Street. The only person who is still under arrest is Carlos Alberto Tellerdin, who sold the traffic type station wagon that was used as a car-bomb.

During the operation to arrest al-Hasan the police also seized various cassettes recorded in Arabic, which will be translated to determine their value as evidence.

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Di Tella Visits Portugal, Signs Economic Accord

PY0710214294 Buenos Aires TELAM in Spanish 2228 GMT 6 Oct 94

[FBIS Translated Text] Buenos Aires, 6 Oct (TELAM)—Argentina and Portugal today signed a document on reciprocal investment promotion and protection which seeks to encourage the exchange of capital and strengthen existing bilateral links. The agreement was signed at the Portuguese Foreign Ministry in Lisbon at noon today by Argentine Foreign Minister Guido Di Tella and his Portuguese counterpart Jose Manuel Durao Barroso, who announced the opening of a $100 million line of credit to finance the purchase of Portuguese goods and services by Argentine companies.

The agreement on the line of credit was closed in July 1993 during the visit of Portuguese Commerce Minister Enriquez de Sousa to Buenos Aires.

The foreign ministers also analyzed the possibility of mechanisms of association and cooperation in tourism and air transportation.

The Argentine Foreign Ministry issued a communique this afternoon saying that the ministers "thoroughly analyzed bilateral political and economic relations as well as their positions on international political matters."

Di Tella travelled from London to Lisbon yesterday. This is the first visit by an Argentine foreign minister to Portugal this century. Di Tella is accompanied by Foreign Policy Under Secretary Rogelio Pfirter.

A Foreign Ministry source confirmed that Durao Barroso said Portugal has investments of over $2 billion abroad and wants guarantees for its capital and entrepreneurs who are looking at Argentina with expectation following its economic transformations and the progress of the Mercosur [Common Market of the South]. "Talks began months ago and ended successfully today when the ministers signed the agreement," the spokesman said. The source said the agreement with Portugal is similar to the one between Argentina and the United States, which guarantees the remittal of profits abroad and the free movement of capital.

The agreement is attractive for Argentina because it strengthens links with an EU [European Union] member country whose economy has experienced significant growth in the past few years and which, the source said, "recognizes the stability of our economy."

The volume of exchange grew when the Argentine economy started to open up. Portugal has traditionally provided cork for Argentine wineries, and diversified its exports to Argentina over a year ago.

Di Tella talked about the potential of Argentine tourism in terms of receiving foreign visitors and publicizing local attractions abroad. It was agreed to explore the possibility of mutual cooperation in this area. In a decision closely related to tourism, the ministers will study the possibility of an air navigation agreement to increase the frequency of flights between the countries. The agreement would include passengers and cargo transportation, particularly considering Portugal's geographical position as a port of entry to the European continent.

Durao Barroso hosted a lunch for Di Tella. He was then received in a special audience by Portugal's Prime Minister Anival Cavaco Silva, to whom he delivered President Menem's greetings.

Di Tella's visit to Portugal will end tomorrow with a lecture at the University of Coimbra. The topic will be Argentina's present political and economic situation.

Defense Minister Launches Refurbished Submarine

PY1010125394 Buenos Aires TELAM in Spanish 0022 GMT 5 Oct 94

[FBIS Translated Text] Buenos Aires, 4 Oct (TELAM)—Defense Minister Oscar Camilion today emphasized the importance of the work done to repair the submarine "Salta." The minister considered the job a milestone for the naval industry, and the result of much effort and sacrifice." [no opening quotation marks as received] Camilion presided over the ceremony marking the end of the repair work, which was carried out at the Minister Manuel Domecq Garcia shipyard located on the south ocean front in this capital. The minister said that the job "shows that the Argentine naval industry still has a chapter to write in this new Argentina at the end of the century."

Camilion stressed that the event represents "a milestone" for "the naval industry, particularly the Navy, considering the difficulties in so many areas, particularly the budgetary problems."

Admiral Enrique Molina Pico, Navy chief of staff, said that the repairs "will help in finding a solution leading to the possible privatization of the Domecq Garcia shipyards."

According to Molina Pico, the work done on the "Salta" meant "the application of high technology, particularly in cutting the hull, an unheard of event in the country, to permit changes in the propulsion system."

The submarine is a conventional one, that is, it is not a nuclear propelled submarine. It sails with combustion engines while on the surface. The engines charge various batteries that move the propellers while submerged. The unit, of the 209 type, was built in Germany and was incorporated to the Argentine Navy in 1974. It was decided to repair it fully after 15 years of service. The ship will continue operating from its naval base in Mar del Plata.

The ceremony took place at the Tandanor shipyard premises. The Navy Mechanical School music band played on the occasion. There was also a short religious ceremony.

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Bolivia

German Quiroga Sworn In as MNR Executive Secretary

PY1110105494 La Paz Television Nacional Network in Spanish 0100 GMT 11 Oct 94

[FBIS Translated Excerpt] The MNR [Nationalist Revolutionary Movement] swore in its new executive secretary today. [passage omitted]

The ceremony took place at Government Palace, the upkeep of which is financed by all Bolivian taxpayers. New MNR Executive Secretary German Quiroga was sworn in during a massive ceremony in which the MNR and the president of the Republic were the main participants. [passage omitted]

Brazil

Cardoso Maintains Lead With 98 Percent of Votes Tallied

PY1110025094 Sao Paulo AGENCIA ESTADO in Portuguese 0028 GMT 11 Oct 94

[FBIS Translated Text] The latest vote tally published by AGENCIA ESTADO at 0028 GMT tonight totals votes cast by 94,782,410 voters in 277,968 voting locations, which represents 98 percent of the overall ballots. Figures are as follows: Fernando Henrique Cardoso—33,700,399 (54.5 percent); Luiz Inacio Lula da Silva—16,743,924 (27.1 percent); Eneas Carneiro—4,470,957 (7.2 percent); Orestes Quercia—2,728,624 (4.4 percent); Leonel Brizola—1,827,414 (3.0 percent); Esperidiao Amin—1,720,412 (2.8 percent); Carlos Gomes—379,601 (0.6 percent); and Hernani Fortuna—228,204 (0.4 percent). Null votes numbered 7,270,155 (11.8 percent) and blank votes numbered 7,073,943 (11.4 percent).

Cardoso Grants News Conference

PY0610234394 Sao Paulo Rede Bandeirantes Television in Portuguese 1500 GMT 6 Oct 94

[News conference granted by presidential candidate Senator Fernando Henrique Cardoso to domestic and foreign journalists at the National Theatre in Brasilia—live]

[FBIS Translated Text] [Moderator] An O ESTADO DE SAO PAULO representative will ask Senator Fernando Henrique Cardoso the first question, and the SBT [Brazilian Television System] journalist the second.

[O ESTADO reporter] Good afternoon, Mr. President, I am Marta Salomao of the O ESTADO DE SAO PAULO newspaper. The first version of your government program stated that the fight against inflation would last from two to three years, but during the electoral campaign you sometimes asserted that the inflation rate had already been defeated. I would like to know which of these prospects you will work with now that it is known that prices will go up in October. Do you think that it will be possible to control inflation without the immediate approval, still this year, of constitutional amendments?

[Cardoso] I have always said, and Marta is right to mention it, that inflation was a process rooted in Brazilian society and that it could not be defeated with a single blow; that another process—that of a continued fight—would be required to defeat it. This is my point of view and this occurs everywhere else in the world. This fight is a process that must be daily attended to by the government officials; otherwise, the inflation will not be defeated.

I have always supported the need to implement a constitutional reform, but we also know that we have created the Social Emergency Fund in order to give the government the opportunity to take action. Currently, the federal government has no deficits. The monetary base is not exerting any pressure on the government because the Treasury is not issuing money to finance government expenditures. The current problems are of a different nature, and although I still believe that we should—and will—implement the necessary changes in the Constitution, the process of dealing with the inflationary behavior, which I have mentioned as necessary, does not depend on these changes. With or without them, the process will continue to be implemented. These reforms will prove necessary and will be implemented at the appropriate moment.

[Moderator] The SBT representative, and then the Radio Gaucha representative.

[SBT reporter] Mr. President, in the heat of this campaign there are still expectations about the role you will play in the runoff elections. In four or five states, the PSDB [Brazilian Social Democracy Party] candidate is directly involved in the runoff, while in some five other states, coalition candidates are requesting your help. Will you directly participate in the runoff elections?

[Cardoso] First, I want to wait to be certain about who will really participate in the runoff. This is still not clear. Second, a political leader is always a political leader and must always participate in the political processes. A president-elect, however, in addition to being a political leader, has a special position. Therefore, we must seek the proper manner to participate in the runoff. As President Itamar Franco exhibited appropriate behavior during the elections, the president-elect will have to do the same, particularly because he will have been elected by a number of voters that surpasses the number of voters belonging to his own party. I would also like to repeat here that throughout the campaign, I have become increasingly convinced that the voter is the one who chooses. For political reasons, the participation is important, but from the electoral point of view, I believe—I am sorry if I am wrong and this sounds as if I were minimizing the political leaders' role in the electoral processes—the voter creates his convictions in a very independent manner, and this is something positive.

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[Moderator] Now the journalist of Radio Gaucha, and then the TASS representative.

[Radio Gaucha reporter] Senator Fernando Henrique Cardoso, I am Ana Amelia Lemos of Radio Gaucha. So far, vote tally showings have proven unfavorable to you in Rio Grande do Sul State and the Federal District. I would like to know your opinion about that and, although the question has already been asked before, I would like to know whether you would go to Rio Grande do Sul to participate in your friend Antonio Britto's runoff. He is a PMDB [Brazilian Democratic Movement Party] candidate, but supported your candidacy.

[Cardoso] Evidently, the situation in Rio Grande do Sul has always been more delicate from the electoral point of view, because Brizola has a lot of weight in the state, just like the PT [Workers Party]. Now, here in the Federal District, I must confess that I have not been following reports on the issue. Although I have been reading the newspapers and consulting the returns all the time, because I was very anxious, those who were by my side knew that I was not looking at the electoral returns. As you all know, I am a relatively calm person and prefer to wait for the end of the process to be able to evaluate it. As a result, I have not followed the process on a daily basis. Here at the Federal District it has always been more difficult in view of Lula's influence. I do not know whether we will win or not, whether I will head the elections or not. I would like to have most of the votes, particularly in Rio Grande do Sul.

[Moderator] The ITAR/TASS NEWS AGENCY correspondent, and then the JORNAL DO BRASIL correspondent.

[TASS reporter] I would like to ask whether your government will continue with the foreign policy of the current administration, and if so, whether strategic cooperation with big countries like Russia and China will continue.

[Cardoso] Well, in your capacity as TASS contractor, you know I was foreign minister. Therefore, I was co-designer of the Itamar Franco government policy. I believe Brazilian foreign policy has for a long time followed a line of convergence. In fact, the Senate—which is more directly involved in the subject—and also the Chamber of Deputies are engaged in a permanent, broad-based dialogue on the subject. Parties do not conduct the foreign policy as if they were independent groups. A consensus is generally reached. This does not mean our policy is not dynamic. I have just said that I think we must prepare ourselves to face the next century with far more active Brazilian participation on the international scene. Once we resume our growth, I believe it will be easier to do so. As for the PRC and Russia, I think your asssertion is correct. Not the PRC and Russia alone. Brazil is a country characterized by continental size, like the countries you just mentioned. There are other countries like this, such as the United States and India. We must pay close attention to this fact. Brazil will certainly be very interested in strengthening relations with these countries.

[Moderator] The JORNAL DO BRASIL correspondent, and then the TV Bandeirantes correspondent.

[JORNAL DO BRASIL correspondent] Good afternoon, I am Ilimar Franco from JORNAL DO BRASIL. Senator Fernando Henrique Cardoso, during the electoral campaign, charges were pressed in connection with the Real Plan, and you answered many questions on whether it was an electoral maneuver. Starting last Saturday, prices on the domestic market have been observed to grow. What are the risks that the Real Plan will run in light of this price hike and of other problems in the economy, and what do you intend to do before your inauguration to guarantee economic normalcy in the country?

[Cardoso] Well, first, before my inauguration, the presidency will remain in the hands of President Itamar Franco, while Ciro Gomes is the finance minister, and they are already adopting the necessary measures. There were and are seasonal problems, as in the case of meat and beans. As a result of this, import tariffs on beans dropped to zero yesterday. The government will be attentive all of the time.

This has nothing to do with electoral maneuvering but with phenomena that are, let us say, seasonal, of adjustment. Yet as far as I know, the government is working hard in this area, and I will now reiterate what I said during the campaign: Efficient technical action is necessary to curb inflation, and such action may not be suspended for political reasons.

Some people said that I, as a candidate, would like this or that in connection with the management of the plan. I always said the same thing, namely, that I want the economic team to do whatever is necessary, that Brazil is tired of demagogic, partisan measures.

Consequently, the Real Plan should be continued with much responsibility, without any measure that may reduce its capacity to curb inflation, and this will have to be done at any rate. It is high time for the nation to think of the millions of Brazilians who benefited from the real, those who told me to secure the real, meaning the money that is not in the stock exchanges, banks or enterprises, but in the field, in the peripheral areas of big cities, with salaries that must be preserved. It is on their behalf that the government of President Itamar Franco will have to take action, and so will I.

[Moderator] The TV Bandeirantes correspondent, and then the CBN correspondent.

[TV Bandeirantes correspondent] Mr. President, I am Fabio Panunzio, from TV Bandeirantes. Mr. President, the trip is over. It is natural for the spectrum of forces that gathered to support you to begin now expressing their desires. Some things have already occurred. For example, a candidate for the governorship of Minas Gerais—who has not yet been elected—has demanded

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three ministries for his state. A senator who is a friend of yours demanded the Ministry of Agriculture for Parana State. Incidentally, he is here now. I would like to pose two questions. First, how will you accommodate such a broad spectrum of forces like the one that was created during your campaign? Second, what can conservative people expect from your government?

[Cardoso] Well, there is no problem in that area, because we have always addressed it in the clearest and most direct possible way. In front of my coalition leaders who are present here, I repeat that we never discussed the distribution of posts, never. We discussed the definition of policies.

Our current government system is presidential, as approved recently by our people. The president of the Republic has the responsibility to appoint his aides. The ministers are aides to the president.

I favor the parliamentary system of government, but currently Brazil has a presidential system of government, and we will govern in accordance with the current laws, with the spirit of the laws and of the system. The president will therefore appoint his ministers at the appropriate time so that he can execute his duties and projects. In my case, and if the election returns so confirm, the elected president is a senator. I have been a senator for 12 years. I have been a leader at the Senate for many years. I know the political reality, I am not a technocrat. The position of a minister is not necessarily a technical position. It is political. We must now analyze what sort of politics the minister will adopt. He will have to implement the policies contained in the government program and not his own policies. He must not go around appointing people. He must stick to the program. This is what we will do. Brazil is tired of worrying whether a certain party has three, four, two, or no ministers at all, whether a certain region has four. No more than 10 or 20 people worry about these details. The country does not want that sort of thing, does not worry about that sort of thing. The people want a government that works. Fortunately, there are competent people in the various parties, and also outside them. The parties are competent and can support, if necessary, people who do not belong to them, as long as their contribution ensures that good programs sponsored by the parties will be implemented. Therefore, I have no problem whatsoever about this issue. The coalition does not, either. The senator mentioned, who is indeed my friend and has helped me very much, has no problem about discussing issues as we have always done. The claims are not his claims, my claims, or Parana State claims. They are demands made by Brazil. We will see what is better for Brazil. As a matter of fact, he has always discussed with me policies for different areas, including the agricultural area. Everything else is simply a way of expressing one idea or the other. This, however, is the context within which we will operate. I am certain that the leaders of the parties that comprise the coalition are not anxious in this regard because they know me and are aware that this is the way I will act. I did that at the Finance Ministry. The team was appointed entirely on the basis of their technical skills. I never asked them about their parties. Several of the team members belonged to my party [laughs], but this was just a coincidence. Some of those who did not were appointed by me as my successors, although they did not belong to the party. Brazil is tired of that, and I believe the media can help the government in this regard. Please do not speculate so much. Let us speculate on what will be done. Ask: What will you do about inflation, but do not ask who will lead the fight against inflation. We will analyze who is more entitled to do so. While I govern the country I will hold talks with the parties and with the Congress. A democratic country cannot be governed in an autocratic manner. Responsibility for appointing the aides, however, is entirely on the president's shoulders.

I have not read what the Minas Gerais State gubernatorial candidate said about his state having three ministries. Minas Gerais deserves to have them all. I believe that, proportionally, my largest number of voters live in Minas Gerais. Just think how grateful I am to Minas Gerais. In addition, Minas Gerais is President Franco's home state. If I could, I would appoint everyone who lives in Minas Gerais to the government.

[TV Bandeirantes correspondent] That sounds very much like a promise.

[Cardoso] No, I said that I would if I could. Look, what the Minas Gerais people are interested in is to see their state doing well, their country doing well. I believe that only the elites in each region are interested in regionalism. The people are not. As I always say, I feel very Brazilian. I was elected senator for Sao Paulo, so everyone believes Sao Paulo is my home state. It is indeed, but I was born in Rio de Janeiro. Therefore, I believe that currently one should not worry about these things. There will be space for everyone. Not necessarily heading ministries. Brazil needs a large number of people working. There is space for all; what we lack is people, not positions. The criterion, however, will be that of a new Brazil, of a country that seeks skills, abilities, and political capabilities. The ministers of certain areas must be able to hold dialogue with the people and motivate them. We want to change Brazil.

[TV Bandeirantes correspondent] Thank you.

[Cardoso, laughing] Are you running for any position?

[TV Bandeirantes correspondent] No.

[CBN Radio reporter] Mr. President, I am Laerte Rimuli, of CBN, the radio that leads in broadcasting news. I would like to know about your relation—you said you intend to govern with everyone, even with opposition parties—with state banks. Banespa [Sao Paulo State Bank] and Banerj [Rio de Janeiro State Bank] are broke. I believe it will be impossible to enforce a policy against inflation in this country if states do not cooperate. At the

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same time, you need the political support of those governors, who will react against any type of shortage at state banks. What do you intend to do?

[Cardoso] What I did when I was finance minister. They used to say the same thing then, but we acted very sternly. I did not grant endorsements to any governor before the state accounts were settled. I did that to powerful governors, some of whom are currently my allies, and to others who already were. I will do the same thing again. I think that we can no longer mix things. If the bank is not doing well, it must improve its situation because it harms the country as a whole. Are we friends with the governor? Excellent, we will try to help him more. Are we enemies? For God's sake, we can be a governor's enemy, but not the people's enemy. If we are the people's enemy, we will say so and do what we have to do.

It is obvious that we can no longer postpone things in Brazil. What must be done will be done. This does not mean that we should go around splintering state government banks with a small hatchet. It means, however, that we will have to straighten out these banks. In this regard, the federal government will do whatever must be done.

[Moderator] The AP reporter and then the FOLHA DE SAO PAULO reporter.

[AP reporter] Mr. Senator, I am (Todd) of the AP. Could you tell us the specific measures the Cardoso administration will adopt to open the Brazilian state-owned companies to foreign investment? During the electoral campaign you often used the word flexibilization. Can you explain in more detail what you mean by flexibilization?

[Cardoso] While still the finance minister, I sent the president of the Republic and the constitutional congress a list of amendment projects in this regard. What I think about the issue is in this list. We are talking about constitutional matters, aren't we? There are monopolies established by the Constitution. The Constitution also prohibits foreign capital in certain areas. In the case of monopolies, I think it refers to the government oil and telecommunications monopoly. I think that Petrobras [Brazilian Petroleum Corporation] itself presented an amendment, which I had presented previously, establishing a more flexible policy in allowing joint ventures, the participation of foreign capital in certain fields. I think this is necessary. I said that Petrobras is not liable to privatization. I have always said this. It is not liable to privatization for several reasons, including the fact that the resources required for its privatization are unattainable. In addition, there are other reasons that make it unadvisable. Nonetheless, it is possible to open up some Petrobras fields to competition. This is being discussed by Petrobras itself, and Congress will have to define this. That is my opinion.

As for the energy field, we also presented two amendment projects to the president of the Republic suggesting mechanisms to allow a more intense participation of private capital. Currently, we have at least 16 hydroelectric plants paralyzed because the government has no funds to continue financing them. Joint ventures are necessary here. The fundamental privatization principle is not related to whether the government is a good or a bad administrator. Some state-owned companies are very good, while some private companies are very bad. The problem is quite different. It refers to the government possibilities of obtaining funds to invest. This occurs particularly in the areas that have swift technological development and request constant investment by the government. The problem remains in the fact that the government no longer possesses resources to do so and society refuses to grant the government these resources by paying more taxes when people well know that the areas of education and health badly need these funds. This is valid in the case of telephones and energy. Brazil currently has the (?SINTREL) [expansion unknown] system, which is very well organized. Why should there be a special line administered by the government? The same thing must be said about communications and telecommunications signals. There are highways to guide signals, and these must be public. There are certain technological developments that must be made public. What I mean here is that they should be in the realm of public responsibility, and by that I do not mean state-owned companies. To be made public means that consumers and investors, and not only bureaucrats, must also participate in controlling decisions. I personally am in favor of sharing investment in the area with foreign capital. I have already proposed this to Congress and will do it again. We must now wait for this proposal to be negotiated during the constitutional congress.

A large amount of capital is available, and Brazil must develop faster. It is very possible to protect the interests of the government, the public interests, through a well-defined and well-implemented privatization policy. I repeat that this does not mean that state-owned companies should be privatized for just any price. Mexico did not privatize its oil company; Chile did not privatize the copper mines, although it privatized several companies; the British privatization model has faced a few problems in the area of energy. In short, there are several privatization models, and our technical groups are analyzing them in order to define a model that allows us to receive private capital—domestic and foreign as well. I see no reason to prohibit investment of foreign capital in the field of energy. I see no reason whatsoever to do that.

[Moderator] The FOLHA DE SAO PAULO reporter and then the Globo Television reporter.

[FOLHA DE SAO PAULO reporter] I am Lucio Vaz of FOLHA DE SAO PAULO. It is well known that the success of the Real Plan calls for approval of additional measures. Therefore, we will ask whether your administration will definitively deregulate the economy. As to salaries, we would like to ask when the IPC-r [Consumer Price Index-real] will be replaced by free negotiation. As

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to structural reforms, in which the privatization process is included, I would like to ask you whether you plan to privatize companies such as the Rio Doce Valley and some Petrobras subsidiaries.

[Cardoso] Very well. The date when this will be done will depend on negotiations to be held with the Congress, because all of these measures depend on the promulgation of laws. I am in favor of deregulating the economy. To put an end to inflation means to deregulate the economy, right? The economists invented indexation of the economy to correct the devaluation of the currency. When inflation disappears, indexation will disappear. As we want to defeat inflation, we will deregulate the economy. This is a process, and I have very firmly decided to tread the path that leads to this goal. The sooner and more successfully we defeat inflation, the faster will the indexation of the economy cease to make sense. I am in favor of a free negotiation of salaries. Former Labor Minister Barelli has very advanced proposals on the collective bargaining of salaries. The most advanced labor unions, including the CUT [Sole Workers Center], have always called for that. Only recently did the CUT change its position, because it became increasingly linked to the public sector instead of the private sector. The private sector, however, in which the unions have more influence, is favorably inclined toward collective bargaining and to free negotiation of salaries. If it depends on me, it will occur very soon, but I repeat that the whole thing depends on how fast the issue is debated in Congress.

Now, as to your last question, what was it?

[FOLHA DE SAO PAULO reporter] Privatization of the Rio Doce Valley and....

[Cardoso, interrupting] Theoretically, I view it favorably, but I do not want to speculate because all these things have an effect on the stock market. I do not have the slightest idea of when it could occur. It will occurr at the moment that proves most appropriate for the country. I do not know when the most appropriate moment will be. Perhaps it will not even be during my days in office.

[Moderator] The Globo television reporter and then the Bandeirantes Radio reporter.

[Globo Television reporter] Ana Paula Padrao, of Globo Television. Senator, you said you will seek social justice for the country. Evidently, every social investment in the country requires funds and, whenever the budget balance is endangered, the government historically increases taxes, particularly those charged from salary earners in the middle and low classes. I would like to know whether you plan to implement a fiscal reform, mainly because it would have to be implemented still this year; whether you plan to maintain the IPMF [Provisional Tax on Financial Operations] in force and if you are in favor of maintaining it; and—in case you oppose all that—how you will balance next year's budget, which depends so heavily on privatizations. Finally, I would like to know how you would hasten the privatization process.

[Cardoso] First, we will discuss privatization. Our anti-inflation and stabilization process used very few resources resulting from privatization. If I have been informed correctly, and I think that I have not, because I am not aware of details, next year's budget has a deficit of 10 billion reals. Very well, this deficit must be reduced to zero. One of the mechanisms to do so is the privatization process. I would not like, however, to see the privatization funds being used—as occurred in some other countries—to pay for common expenditures. These funds are yielded by the country's assets and should be invested in infrastructure projects and other projects that are permanently profitable. We have a very large cushion that allows us to ensure the stability of the real. As to the fiscal reform, everyone—including myself—says that it is necessary. Therefore, we must implement it.

The fiscal reform is in Congress, where congressmen have presented many proposals on it. Senator Jose Serra has reasonable proposals. I cite Serra's name because he has just arrived in this room, but if Ponte [Deputy Luiz Roberto Ponte] had arrived, I would have cited his name, because there are many proposals and all the congressmen agree on them. The difficulty is that we have to simplify taxes and make them less specific. We must discourage consumption, and we cannot reduce the mass of resources available to the country. It is hard to achieve this balance, because several of the amendments imply a decrease in revenue. I also believe it will be interesting to follow what will happen to taxes through the end of the year. In view of economic stabilization, the revenues in states and counties have increased very much. We will therefore have to examine the issue within the framework of a stable economy. What happens under these circumstances? What taxes should there be? Your question is about whether the fiscal reform should be implemented now or later, right? You also mentioned that the reform must be implemented before the end of this year, otherwise it would not go into effect next year. I am aware of that, but I believe the whole thing will depend a little on Congress. Personally, I will seek to have Congress discuss the issue right away. Although the proposals are in Congress, I do not know whether it would be politically possible to have them approved, as I do not know who will be elected, or what the mood will be of those who lose in the elections. Any comment now would be too hasty. I personally do not believe that Congress will be able to decide on such a complex issue in two months. This is why we have implemented the Social Emergency Fund which, together with the funds to be obtained from some privatizations, will ensure economic stability.

Now, then, according to the law the IPMF [Provisional Tax on Financial Operations] should be eliminated. I do not have a detailed account as to whether it is effective or not. If I can eliminate it, I will. But President Franco will

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have the final word regarding its elimination, as this decision will be made at the end of his government; it is not up to me to say what should be done, it is up to Minister Ciro Gomes to decide. I would eliminate it if I could, but I do not know how things stand. I will do nothing to prevent its elimination.

[Radio Bandeirantes reporter] Lima Rodrigues, Radio Bandeirantes. President Itamar Franco's administration is the great winner of the elections, with your victory. The Real Plan was the key issue of the electoral campaign, but it is only the beginning of a deep-rooted reform in Brazil. Harsh and even unpopular measures must be implemented to safeguard the success of this plan. Will they be implemented before your inauguration? If not, will you adopt unpopular measures after your inauguration to guarantee the success of the plan?

[Cardoso] Inflation is the most unpopular measure. When I was finance minister I never hesitated to implement measures that some regarded as unpopular. For example, I objected to the compensatory salary adjustment for inflation proposed by the Chamber of Deputies. I was against this proposal, and said so during an address to the nation over television. Brazil was sick of people who did not explain what they had in mind, who did not talk with conviction. If necessary, I will address the nation to say what is what. If I am mistaken, people must show me where; if not, I have my own convictions. There is nothing popular or unpopular in this business. It is either right or wrong. If it is right, then one should go ahead. Whatever is right will yield results, even though it may cause some unrest at the beginning. People understand what it is all about in the long run. Let us stop this policy that only seeks popularity. A measure that only seeks popularity is inconsistent. Only a guideline, a conviction is consistent. I am certain we must continue to fight inflation, because inflation is what impoverishes Brazil and the Brazilian people. Inflation causes an unfair distribution of income, it prevents calculations from being made, and it prevents domestic and foreign investments. This is what we are going to do. It doesn't really matter whether it is popular or unpopular. I do not want to prejudge, but President Itamar Franco has always backed me in the implementation of these measures. He never feared anything. Minister Ciro Gomes has stated what has to be done, and I feel quite happy about it. What has to be done will be done. But I would also like to say that it is not the people who consider things, quote, unpopular, unquote. The people do not like inflation. Some sectors may regard the measures harsh, but those sectors need harsh measures, and they will have them.

[Radio Bandeirantes reporter] And if the measures are taken before your inauguration? Could this happen?

[Cardoso] I don't know, as I cannot make a prediction on this issue. Until the inauguration, President Itamar Franco is the president. As I have done constantly during my campaign, I will talk with him as many times as I can when I visit Brasilia, because we are friends. I respect him, and the decisions and policies are his. I will simply honor them. Concerning this issue, I am absolutely sure that President Itamar Franco will act with the same responsibility with which he has always acted, and that the team of experts and Minister Ciro Gomes are there to take the most appropriate measures. I only have to applaud and support.

[THE NEW YORK TIMES correspondent] Walter Gates, THE NEW YORK TIMES. You have just said that you want Brazil to participate more actively in the international arena. There are people here in Brazil and abroad who seem to believe that the country's profile is more than discreet, bearing in mind Brazil's greatness. I would therefore like to know if you intend, in the short term, to use these 10 weeks to make working visits to the United States, Europe, and Japan. And in the long term, what do you intend to do during these four years to promote your country abroad?

[Cardoso] I believe that in today's world the presidents, the heads of state themselves, make international politics. They must take a very direct, personal, and active stand on international politics. This may be seen everywhere, and not only in Brazil. And as president, I will not avoid taking it.

This does not mean that the foreign minister and Itamaraty will not play a key role in preparing everything. They do. Itamaraty has a long tradition in this. We require that Brazilian society increasingly support our international politics. Nevertheless, I believe a president will become increasingly involved in today's world, and I am ready for this.

Concerning visits, you have overlooked South America, and especially the Southern Cone, Mercosur, which are very important countries for us, Mexico, Venezuela, and Colombia. I will not mention them one by one.

I believe that if there is an objective reason for a working visit, I will not shy away from the pleasure of making a visit, but it will have to be done carefully, because President Itamar Franco represents Brazil abroad. I will make visits if they are preparatory and envisage our future, especially in technology and investment issues and Brazil's more active participation in international decisions.

We are witnesses to the reconstruction of the international order, and it is necessary for Brazil to participate in it. Minister Celso Amorim recently mentioned that Brazil hopes to become a UN Security Council member. A country hoping to become a Security Council member must be aware of what this means, and must also take the responsibilities that this involves. This involves a very active role in international politics.

I have still not determined when and, if I do, where I will go. I might possibly make a short visit before becoming president-elect, before I am proclaimed—as things stand

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now—the candidate with the greatest number of votes. Nevertheless, it would be a strictly personal and brief visit. Afterward, when there is a concrete working visit, I will make it. I believe there is much work here in Brazil. I cannot make visits abroad unless there is a very specific agenda.

You have certainly mentioned some countries that are important partners for Brazil, and I believe it is good for the president-elect to approach these countries.

[O GLOBO correspondent] Denise Rottemburger, O GLOBO. Good afternoon, Mr. President. Last year Congress reduced the presidential term to four years, but did not approve another issue which according to some leaders was also involved, namely the issue of presidential reelection. Your four-year term is thus a reduced one, with no reelection. Now there is a proposal to reinstate a five-year term, or implement a four-year term with reelection. I would like to know which alternative you believe is more viable, and which you will support during your administration. Thank you.

[Cardoso] First, I believe many things may be achieved in four years. President Itamar Franco has achieved many things in two years. Concerning this four-year term issue, many believe it is too much time, while others believe it is too short. I believe it is enough time to achieve many things. And I do not believe it is correct for me, as a candidate, and while the ballots are still being counted though I am favored by the count, to be here discussing whether there will be reelection and if the presidential term will be extended. I am not in any mind to discuss that. For me, four years would be very good.

[O GLOBO reporter] I have another question. Will you support a return to a five-year term in the future?

[Cardoso] If I had been in Congress, I would have voted for reelection, but I was not there. Now, after this campaign, I have some doubts, because Brazilian political culture is, so to speak, so naive in this regard, in mistaking the political position of those who govern for the use of the government apparatus.

Just imagine a president who ran for reelection here in Brazil. He would be defeated, as he would be crucified because he lives in the Government Palace. If he does not live in the palace, it is because he is rich. If he lives in the palace, what should he do? Should he leave the palace?

We are exaggerating because of a wrong understanding of this problem, and this is so serious that it is considerably restrictive. There has been a attempt to prevent the government—believe it or not—from having its own candidate, or from doing something normal like dedicating a project. It would be a mistake to dedicate a wrongly made project, which should be criticized, or use funds for the campaign. This would be a mistake.

There is such great confusion that I feel sorry for the next presidential candidate, if he runs for reelection. The opposition will behead him because he did nothing but fulfill his own role. Just think, a president who is running for reelection needs security granted by the state. He travels in government-owned planes. How will he do it? Just imagine, Denise, how many points need to be taken into consideration, right? [journalists laugh]

[Moderator] The Radio Jovem Pan correspondent, and then the Knight-Ridder correspondent.

[Radio Jovem Pan reporter] Mr. President, I am Jose Maria Trindade of Radio Jovem Pan. Senator, I would like to know whether you will grant any kind of privileges to Sao Paulo. Concerning Vice President Marco Maciel, what will be his role in your administration?

[Cardoso] If the current electoral results are confirmed, Senator Marco Maciel will be the vice president, and in this post he will play a major role. Why? Because Senator Maciel has broad experience. We were colleagues in the Senate. He was a PFL [Liberal Front Party] leader, and I was a PSDB leader. I had previously been a PMDB leader. I am aware of his working capacity, of his responsibility and negotiating capacity. A president who does not use the capacity of a vice president of this kind is squandering Brazilian resources. I never talked with him. The truth is that we had no time. We talked about votes. Yet we will certainly talk more calmly, seeking the best way to implement our program. How will we implement this program? We will join efforts. I am sure that Senator Marco Maciel will never refuse to help me, and I will need his help.

Sao Paulo is my state, the state in which I lived, studied, married, worked, and was elected senator—I am senator for Sao Paulo—and where I have lived my entire cultural life. I feel like a native of Sao Paulo, and the Rio de Janeiro people should forgive me, because when I arrive in Rio de Janeiro and see its beauty I repent saying what I have just said. Yet I believe some states are essential for Brazil, although I do not think the federal government should give any special help to those states. Sao Paulo needs a government that can be helpful to itself. The federal government will always support this attitude. A short time ago, someone here mentioned Banespa. That is right, the federal government will have to be attentive, but in order to help Sao Paulo help itself, and to see to it that the Sao Paulo government helps the fantastic people of this state, who have a vast capacity for work, production, and the creation of culture, so that they might be happier. Sao Paulo does not need the Union to do more than what is fair.

I spoke about Rio de Janeiro, where I was born. I was there the day before yesterday. It was a fine day. I went to talk with Cardinal Salles in Sumare. We walked over the bridge, the Canoas highway, the Boa Vista hill, and the Corcovado. Looking from the Corcovado, it is something extraordinary. The lower part is also fine, with its endless squares. As far as I know, no other city in the world is like Rio de Janeiro.

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However, a few meters from where I was, there was a holdup. A bit farther, someone was run over and killed. On a street, at the beach, another holdup. This cannot be allowed. It means that the federal government has to look at Rio de Janeiro, because Rio is a symbol of Brazil. I mentioned here Caetano Veloso, reiterating his desire to proclaim that he is Brazilian; Rio is part of that.

Well, and what about the northeastern region? I know this region pretty well, and I know its situation when I look at data. UNICEF members came to my house to ask for treatment to be given to children, in the education and health areas.

A glance at the data shows the area where the problem is most serious, in the northeastern region; to some extent in northern and central-western Brazil, but mainly in the northeastern region.

Therefore the president, who was born in Rio de Janeiro and who is a Sao Paulo resident, knows that Brazil needs the northeastern region, and that it has to give considerable attention to this region. This does not mean that the suburban areas of Sao Paulo will be neglected. They cannot. First, because the suburban areas of Sao Paulo house northeastern people. Second, because those areas have many very serious problems that must be tackled.

Consequently, I will reiterate what I said about the composition of ministries. A ministry for a specific region? The president does not favor any specific region, but the entire nation. That is why I said that I was born in Rio, that I am a Sao Paulo resident, and that I know the northeastern region, all of which make up Brazil.

Where are the problems? Are there problems in Sao Paulo? Yes, there is pollution, unemployment, and violence in the suburban areas. But isn't there violence in Rio de Janeiro? And in Rio Grande? Rio Grande has been on the sidelines for a long time. We will implement Mercosur [Common Market of the South]. Should we make Rio Grande do Sul play a central or a secondary role in Mercosur? And Santa Catarina? After all, Jorge Bornhausen is here, and he showed me Chapeco and the pork raising region. Can't we solve the problems of the water table in a region with fantastic production, in one of the states with the highest per capita export rate in Brazil, which has pollution problems that can be resolved?

This is how I feel. I believe we should think in terms of the whole, in terms of Brazil.

[Moderator] The Knight-Ridder correspondent, and then the CORREIO BRASILIENSE correspondent.

[Knight-Ridder correspondent] Mr. President, good afternoon. As the electoral process approaches its conclusion, particularly with your election, there is great expectation that the flow of foreign capital into Brazil will grow substantially. I would like to know the treatment that you intend to give to incoming foreign funds, and whether you intend to increase taxes on foreign capital.

[Cardoso] Look, as far as I know, based on the available information, there are expectations of a foreign capital inflow. The government is monitoring this process, which has repercussions in the exchange rate, but no radical measure has been designed for implementation. Long before the growth of foreign capital inflow into Brazil, we took care to adopt the necessary measures. The Central Bank has a large set of instruments for preserving the exchange rate without doing any violence on the market, and without imposing any restrictions on foreign capital. The exchange rate should also be taken into account because of the export sector.

No restrictive measures will therefore be adopted, but normal ones, such as those that Chile has enforced when necessary. If considered necessary, the administration of President Itamar Franco, and then my administration, will adopt such measures.

[CORREIO BRASILIENSE correspondent] Bota Celia, CORREIO BRASILIENSE. When late President Tancredo Neves was elected, he said he had two priorities: to stabilize the currency, and to attain a fair distribution of income and pay the social debt. All these years, with the exception of President Itamar's short administration, during which the people enjoyed a little more hope, very little has been done to honor the foreign debt. I believe the votes in your favor—this huge number of votes—places a great responsibility on you. I would like to hear what you have to say on the subject.

[Cardoso] I believe that what President Tancredo Neves said is what the Brazilian people felt and continue to feel, with the difference you just mentioned, that with President Itamar Franco's government the people recovered some of their hope. Why? In the first place, because the national currency is becoming stable. This alone has granted the people an effective purchasing power. However, this alone is not enough. We will not be able to honor the social debt as long as we do not have a competent state, because from the government's viewpoint, this debt cannot be honored merely by adjusting salaries. As I have already stated, I am in favor of collective bargaining contracts and free negotiations. These mechanisms are necessary; we need negotiated salary increases. But we must also take measures in other fields, in the health, education, and housing fields. These are key issues, not to mention infrastructure, highway, transportation in general, and energy. Our program "Let's get down to work" [maos a obra] clearly states this, and establishes where the funds must be obtained so that we may truly modify Brazil's image.

I believe education is a basic issue, because as I have stated lately, Brazil has adopted a method that is quite different from that adopted by Asian countries that have taken a great step forward in development. Brazil does not generalize education; we focus education in some sectors. I am repeating what UNICEF has stated, although we do not need UNICEF here because the statistics fully reveal this. Senator Marcos Maciel was

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with me at the UNICEF meeting that revealed this fact. It is very sad that Brazil still has high illiteracy levels in certain areas, that there is a high percentage of students who fail to pass, and that the primary school teachers' salaries are disgraceful. This dramatic situation must be reversed. The federal government alone cannot do this, but it can promote this change, and can assume leadership in this process. This process greatly requires decentralization, not liberalism, but a process that allows the federal government to closely watch how the resources are being used, and what is being achieved with these resources.

Recently, during a chat with French educational experts visiting Brazil, they told me that teachers in France are evaluated at the beginning of the year and not at the end. The purpose of the evaluation is not to determine if the teacher is good or bad. It is to determine in what areas they have difficulties, so that they can be corrected. There are hundreds of mechanisms for improving the education system.

Not long ago I was chatting with Roberto Muylaert of TV Cultura from Sao Paulo, who told me that there is now a system that has been implemented in the United States where small parabolic antennas are installed in schools, or wherever it may be, thus providing a much more effective educational system. We have done very little in this direction. I believe that we must focus greatly on solving the education and health problems, and also on housing, although I would say that education and health are more urgent, and that it is the federal government's duty to tackle these problems. Health has to do with basic sanitation. We have had positive and negative experiences in this field, but everything was destroyed. Now there is an attempt to rescue what was destroyed. The IDB [Inter-American Development Bank] has financed basic sanitation programs in certain regions. With very simple measures, such as is the case in Ceara, with the health agents—that is something simple, elementary—one can effectively reduce the infant mortality rate with very basic educational measures. This must be done. You know what? This also needs the media's cooperation. Nobody can change Brazil with state actions alone. The state can help, can lead, and can eventually induce society to participate. This is a question of participation. Our government program therefore includes two orders of action. Some are more stable, such as changing the Education Ministry, the Health Ministry, and some programs. Others entail emergency measures that we also call understanding community. But beware, this must not be understood as tending to parochial interests. That is not the purpose. The purpose is to get the communities to which the resources are allocated to administer them. This is very important, because it will result in a more active, participatory society, a society less inclined to parochial interests. This has to be done, because if not the communities will not be given the necessary room to participate. I will do everything I can in this direction. I want to reiterate what I said during the campaign: The education, health, and agriculture ministers are necessary. As for the ministers in the field of economics, who are present, I must also say that the Finance Ministry is indispensable. But the guidelines to be followed in this field have already been set. As for the other areas, I still see many problems. I want to congratulate the education minister, who has changed many things, such as the school lunch program, the transfer of funds to the states, and the announcement, as I myself saw recently, over television of what cities are receiving resources, so that the people can collect them. This must be promoted. Not by the president of the Republic, not by the minister, not by the government, but by society. Either Brazil approaches these subjects, such as the social debt, as a great challenge, or it will lag behind. And if it lags behind at the end of the century, it will go backwards.

[Rede Manchete Television reporter] Carlos Chagas, Rede Manchete Television. Mr. President, the newspaper LE MONDE of Paris yesterday published that you would be the instrument that allows Brazil to take a big leap toward liberalism. Have you stopped being a social democrat and become a liberal? What will be the role of the state during your administration?

[Cardoso] They must have meant liberalism in the American interpretation of liberal, which is social democratic. [laughter] Look, I have already held that discussion several times, and it would be good to repeat it now.

I believe that in Brazil we currently have three values without which a ruler could not govern his country appropriately. One of them is—as I mentioned at the beginning—democracy. That is, freedom, democracy, and the growing participation of the people. The other value is that the market really exists. Those who think that the government can do something to affect the market have not managed to do so. They are defeated by the market. The third value is that in a country like Brazil, where there is so much inequality, the government must be efficient, competent, and take action—otherwise it will not solve the national problems. The idea of eliminating the presence of the government is just that, an idea. Even if you wanted to eliminate it, you would not achieve it.

I am a social democrat because I think we must reconcile freedom with the market, and with a very active, correct, and competent government presence. Such a government must not be corrupt, nor should it heed personal, parochial, or corporate interests—which are the great evils of a government. We need an active government presence in several fields. I have never said the opposite.

To speak the truth, and considering the presence here of Senator Marco Maciel, the world is currently observing the merger of social liberalism—I do not really know what to call it—with social democracy. I think that LE MONDE translated into French the American sense of liberal [preceding word in English], which in the United States is referred to as pink [preceding word in English].

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[Radio El Dorado reporter] Claudio Morison Fredo, from Radio El Dorado of Sao Paulo. The budget imbalance between the federal government and the states and municipalities is considered one of the woes of the national economy. What is your position regarding this issue? I would also like to know what can be negotiated now with the current Congress to prepare for the constitutional amendment. What are your priorities in these negotiations?

[Cardoso] To tell the truth, regarding the balance between the federal government, the states, and the municipalities, a good part of the job was done by the Itamar Franco administration, which—I would like to here praise Finance Ministry Executive Secretary Clovis Barros Carvalho, who looked after this subject—placed the states and municipalities in a condition to repay their debts with the federal government. The National Monetary Council [CMN], which has been reorganized and represented many sectors, also made very harsh decisions, while I was still finance minister, prohibiting the state banks from lending money to the state governments. The CMN established that state bank officials who approved such loans should be considered to be committing white collar crimes. It is thus not only the state governor who is responsible for bad loans, but also the bank officials. This problem is in the process of being resolved. The negotiations for reopening some banks, which in the end were not reopened, were very difficult. We changed the system, and the process is still under way. Some problems still persist—as already mentioned today—with two or three important banks. The government must solve this, and it will. We will not allow that crime for any reason, be it political or anything else. We will not allow the existence of drainage mechanisms, as I used to call them, to allow public resources to be wasted. We will have to take action, and that will be the way.

As for the other question about Congress, I think that from the start it is necessary to establish a dialogue not only with Congress but with the country. The people are mature. The people know what they want. The people want fiscal reform, and tax reform. The social security system must be considered, with exact figures and calculations that will allow the accomplishment of goals. The health system must be financed in an appropriate manner. Public employees must work for a career; job stability is not an objective, it must be linked with a career.

I would never use public employees as domestic drudges, they are not privileged, but public employees must be trained so that they can work more efficiently, and so that more can be demanded from them and they can be better paid. All this will take time. No one can solve this in a moment. But this is the goal. This discussion needs to be held now—it has already started—with society, and with Congress the sooner the better.

[GAZETA MERCANTIL reporter] I am Claudia Safat, from GAZETA MERCANTIL. Mr. President, I would like concrete answers on three subjects. First, how and when do you intend to send to Congress the initiative to amend the Constitution? Second. The 1995 budget bill is being debated in Congress. Do you intend to immediately renegotiate or review it somehow during the Itamar Franco administration? A lot of money from privatizations, more than 5 billion reals, have already been earmarked in the 1995 budget, yet at the same there is still a shortage of 9 or 10 billion reals. The third question is about the administrative or state reform. How will that be done?

[Cardoso] All right, to start with, regarding the constitutional amendments, which I think I have already discussed: Although I have not been close to the subject lately because of the electoral campaign, which did not allow me time to follow up on a daily basis on government activities, I personally think that it will be hard to go beyond preparatory negotiations on amending the Constitution as soon as possible. Besides, President Itamar Franco is the one who must decide whether to send to Congress the initiative to amend the Constitution. I cannot do that. I can only think about it in January, as long as the vote tally continues to be the same as it is now. As for the privatization issue...

[GAZETA MERCANTIL reporter, interrupting] Budget.

[Cardoso] Yes, look, I asked that the budget discussion be followed up by the people who work with me, that is, with the entire economic team, which is made up of people whom I totally trust. I have still not talked about this with them, or about what can be done with the budget, if anything can be done. However, again, this depends on President Itamar Franco.

[GAZETA MERCANTIL reporter] The third question was about the administrative reform.

[Cardoso] An administrative reform is necessary. Federal Administration Secretary Romildo Canhim has already made studies, which are at an advanced stage, about career restructuring and other issues. This will take time, but it must be done.

[GAZETA MERCANTIL reporter] What is your organizational chart for the government?

[Cardoso] I'll get there—she wants to know about the composition of the ministries—these subjects are connected. No one can expect to first carry out an administrative reform in order to then implement government projects. We will have to implement our projects at the same time the administrative reform takes place. Consequently, answering the second part of your question, the organizational chart must be modified. I have not yet made a decision on this subject. I have experience in this, but I have not made a decision. My experience is the following: Given that our governmental system is presidential, we need to give the presidency more information and coordination instruments.

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We already have the Planning Secretariat, which was created for this purpose but lost its initial sense afterwards. It was a secretariat meant to plan investments and to coordinate actions among the ministries. This is a possibility. I remark, a possibility. If we chose this possibility, it will really become a secretariat close to the president. If for other reasons it is not possible to use it, we will need more specific advice on the subject.

I think it is not very sensible to keep the budget outside the Finance Ministry, because it would needlessly complicate its work. I think that a coordinating ministry has far more importance, thinking in the medium term, than the current situation. We have a lot of ideas. We must also verify the flow of decisions and coordination among the ministries.

I think that in the current world, in mass societies with presidential systems, the president must be a responsible, effective leader. Not that he must not delegate power: Whoever does not delegate power cannot govern or administrate. But the president must be well informed and must inform, coordinate, motivate, and be an interlocutor between the ministries and the country. I do not think that being the president of the Republic is an easy job. I have never been president before. However, I think that once you are out in the rain you must get wet.

You can be certain that I will wholeheartedly engage in that task. I will need a support structure for fulfilling those functions. I reiterate that such functions do not deal with routine management or supervision, but with motivation, control, monitoring of the course, and active engagement in the life of the ministries.

I believe ministry teams should meet. I do not think ministerial meetings should be more formal and solemn, but I believe sectorial meetings should be held in order to make coordination more efficient. I believe the president should attend those meetings.

[TV Record reporter] Mr. President, good afternoon, I am Gina Manet. I would like to insist a bit on the administrative reform. You intend to reduce the size of the state. Does this mean that some ministries will be closed, and that there will be dismissals? Will you confirm the creation of super-secretariats that might be handed over to fully trusted persons, chosen without interference from any political criteria?

[Cardoso] There will be nothing super at all. This usually creates agitation and expectations that something formidable is coming along, awakening everybody else's opposition. I don't think things should go like this. I believe we should value the work of all sectors of the administration.

I am not planning to create any super-this or super-that. I believe we need things that can work, like a smooth decisionmaking mechanism and a management that keeps track of its actions, but no super-coordination whatsoever. I don't think we need that. I am against that kind of spectacular, unsuccessful action, of which there is a sad memory in Brazil. I believe the president and the ministers should constantly exercise their leadership in a coordinated manner. Concerning the reforms...

[TV Record reporter, interrupting] Will some ministries be eliminated and employees dismissed?

[Cardoso] Look, let us discriminate between things. You can eliminate a ministry and nothing else happens, because you can dismiss the minister but leave everything else untouched. Organs cannot be eliminated just like that. It is necessary to think about it. When I was finance minister, I proposed the elimination of some ministries. That is my opinion. But I do not mean to say that this is a firm decision, because I have to carefully consider the matter. We do not need so many ministries. I believe that a large number of ministries, rather than serving the needs of the administration, serves to meet inappropriate political aspirations. Yet I do not want to anticipate anything, because I have to consider things more carefully. If necessary, I will have no problem in eliminating a ministry.

Dismissals are something else. I do not want to make any hasty decisions. Minister Canhim will have to pass information to the transition team, in order to see how things stand. If you want to know the number of Brazilian public servants... [pauses] Actually, the number of servants is not large—the problem is that the structure is bloated at the base and rarified at the top, with low salaries at the base and at the top as well. Servants have no motivation, training, or supervision.

This calls for a deeper reform, right? I believe this should be done, but this does not mean that the total number of public servants will either grow or drop, as that would be a groundless estimate.

Look, public servants are state employees who should serve the public. If they serve the public, fine. If not, if they are serving themselves, neither the public nor the state have anything to do with it. Consequently, the state does not have any responsibility, and there is no reason to fear saying that there will be dismissals. If necessary, there will be dismissals.

[ZERO HORA reporter] Senator Fernando Henrique Cardoso. Your wife Ruth Cardoso played an outstanding role in your campaign, even participating in a group that drew up a substantial part of your program of government. Her profile is very similar to your own profile. She is a [word indistinct] intellectual. I would like to know the type of cooperation, the role that she may have in your administration.

[Cardoso] Well, she will certainly not be designated to any post. I believe that in this regard we must be quite strict in Brazil. It is the winner—not his relatives—who is elected. Incidentally, my relatives do not need that, they never demanded and will never demand a function, post, or whatever.

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The cooperation that Ruth has given me throughout life and in the campaign has been very important. Like other people, she cooperated as a professional, in her professional field.

Those people did not work to obtain government posts. They worked because they believe in Brazil, in me, and in our government program.

As for defining the tasks of the first lady—a title that appears to have been adopted—this cannot be considered a rigid or preestablished matter. We must see what is necessary to be done, appropriately, with a lot of independence and firmness. It will certainly not be in terms of participating in the administration or patronizing, which is very far from our way of being. But I suppose it will be a very independent, creative participation which she herself will define, not me.

[JORNAL DE BRASILIA reporter] Good afternoon, Mr. President. I am Leticia Borges from JORNAL DE BRASILIA. You or your advisers have said that you do not want to establish a parallel administration. But you must need to establish a transition team for your administration. I would like to know how you will do it, with what team, and where will you work, or anything you have already defined on this subject. Thank you.

[Cardoso] First I need to talk with President Itamar Franco about the subject, once the Superior Electoral Court [TSE] proclaims the election results—because so far we are here just on a bet. I need to be formally proclaimed by the TSE, so that I can then formally seek out President Franco and discuss with him how the transition is to be be done. A transition will be easy, because I have already headed two ministries during the Itamar Franco administration, and the current ministers are my colleagues. So there is no difficulty with access to things.

This is different from other transitions in the past. There will certainly not be a Wedding Cake [Bolo de Noiva, the name of Itamaraty's annex building where Fernando Collor de Mello established his government transition team] [laughter]. We will have an office from which to define our plans. But it will not be any parallel government center, or a place for people to lobby me, because that is not my style. I will speak with President Itamar Franco over the phone only to express my happiness. I will speak calmly with him. My relationship with the Itamar Franco administration could not be better. The transition will therefore be smooth, and we will concentrate on how to implement our projects.

[Borges] What team will you have?

[Cardoso] The teams are already in the administration. A good many of them are already in government. Afterwards I will define three or four people in the technical field. The president will also say whether he also wants to formally define some posts. I took into consideration people who are currently working in government. I will make political decisions afterwards—once I meet with my coalition colleagues—so that we can decide what must be done.

I think that on this subject we must reduce the degree of anxiety and tension, because nominations must come after 1 January 1995. I am calm, not tense; I feel no anxiety. I do not think the rest of the people should feel this. You may remain calm.

[JORNAL ESTADO DE MINAS reporter] I am Goulart Gonzaga, from JORNAL ESTADO DE MINAS. Before anything else I would like to congratulate you myself and on behalf of my newspaper for your triumph, and wish you a successful administration. I would like to ask you about one of the dearest programs of this administration, which is the program to combat hunger led by Betinho [Betinho de Souza, sociologist, who organized a national volunteer program to collect and distribute food for the poor]. Today in a Rio de Janeiro newspaper, Betinho criticized your United Community Social Project [Projeto Social de Comunidade Solidaria] by saying that it is paternalistic and represents neo-Getulism, a new Getulio Vargas style [twice Brazilian president, 1883-1954] program. He says that you would be discarding the significant experience already gathered by his Citizens Action Movement, which currently involves the voluntary participation of nearly 3 million Brazilians. Betinho thinks that the government will waste a lot of money in replacing the Consea [Food Security Council], whose work could somehow be done by Betinho's Citizens Action Movement.

[Cardoso] I believe Betinho has not read my program, and given the relations he has with me he could have telephoned me. What he is saying is groundless. On the contrary, we included Consea in our program. I do not remember whether it is mentioned at the end or where, but I did not want to give the impression that it was a definite issue. But on the contrary, our model envisages participation. For God's sake, let us stop inventing things that do not exist: neo-Getulism. Getulism does not even exist. Why add neo now? Why me? It is senseless. I believe Betinho is ill-informed. I would very much like to receive the cooperation, participation, of Consea. That was our proposal, not anything else. It was very much based on that. The program, however, will certainly be administered as I wish.

[Moderator] The news conference of Senator Fernando Henrique Cardoso is over.

PMDB President Promises To Support Cardoso's Proposals

PY0810031794 Sao Paulo AGENCIA ESTADO in Portuguese 2214 GMT 7 Oct 94

[FBIS Translated Text] Brasilia, 7 Oct (AE)—Santa Catarina Deputy Luiz Henrique, president of the Brazilian Democratic Movement Party [PMDB], today said that his party will support Fernando Henrique Cardoso's

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administration proposals regarding a structural reorganization of the government in the fiscal and welfare fields. Luiz Henrique hopes the government can send to Congress, still this month, draft bills on the reforms that call for modifications to the Constitution so they can be approved in 1994 and implemented on 1 January, the day Fernando Henrique Cardoso will be installed in office.

According to the PMDB president, the weight of the party will be important for the approval of constitutional amendments on the fiscal and welfare reforms. To approve a constitutional amendment, two-thirds of the deputies (302) and two-thirds of the senators (49) must vote for it in two rounds of voting. He forecast that "if congress wants to, it can approve everything in two days."

Luiz Henrique said that the current Congress, which ends its activities on 31 January, can have its capacity and legitimacy to make important decisions questioned, but it will probably vote for the structural reforms. "At least the welfare system must be changed; otherwise, there will be no possibility of controlling the inflation and the Real Plan would thus be threatened," Henrique said. The PMDB president believes that his party's internal trend is to support Cardoso's government.

The PMDB presidency is summoning a meeting for 18 October, at the Bandeirantes Palace in Sao Paulo. During the meeting, all the elected governors and senators and the gubernatorial candidates who will participate in the runoff will discuss their support of Cardoso. According to Luiz Henrique, his personal links with the president-elect, as well as those of other PMDB members, can facilitate the PMDB access to the government.

Deputy Henrique is euphoric about his party's performance in the elections for deputy and senator. As to Orestes Quercia's poor performance in the presidential elections, Henrique said this can be explained. According to him, in the presidential elections the voter votes for the most outstanding candidate and not for a party. He believes that the PMDB will elect at least 120 deputies—22 more than its current bloc of 98 deputies in the Chamber, and for the Senate it will probably elect 25 to 27 senators.

Sao Paulo Governor Luiz Antonio Fleury Filho will attend the 18 October meeting. Orestes Quercia, the defeated presidential candidate, has not been invited because he is not among the elected ones. Commenting on the threats made by Quercia, who wants to see Amapa State Senator Jose Sarney expelled from the PMDB, Henrique said that a great deal of moderation is required. "We should not look back," he said. "Politics is conducted with one's head, not one's liver."

Lula Praises Democratic Process

PY0710190294 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 7 Oct 94

[FBIS Translated Text] PT [Workers Party] presidential candidate Luiz Inacio Lula da Silva praised the Brazilian democratic process, commenting that the PT does not yet know who it will support in the gubernatorial and legislative runoff, and added that it will be very difficult for him to participate in Fernando Henrique Cardoso's government.

In Sao Paulo a short time ago, Lula for the first time spoke about the vote count after two days of silence.

He showed up for a news conference with a smile on his face, trying to look calm and relaxed. He said he decided to talk today because he will rest over the weekend, far from ballot boxes.

Although the vote counting process is approaching its end, Lula said he will concede defeat only after the release of the final results. He outlined the PT role for the next four years, if the PSDB [Brazilian Social Democracy Party] candidate is elected.

[Begin Lula recording] If the polls are confirmed, and if Fernando Henrique Cardoso wins the elections in the first electoral round, I want to tell you—before anyone poses any questions—that I will not be in the opposition to Fernando Henrique Cardoso, brandishing my party program. This means I will not expect Fernando Henrique Cardoso to enforce the PT program, if nothing else because the PT program did not win the election.

First, I will cheer him on toward the fulfillment of what he promised. Second, I will be a sort of supervisor for the people, supervising his program, ensuring he fulfills what he promised Brazilian voters.

I believe this electoral process, whatever its result, shows we are maturing and learning to coexist, without any problems, with democracy in our country. [end recording]

Lula also referred to the future of the PT. He said:

[Begin Lula recording] Our congressional bloc will certainly continue to work as normal. That is, whenever there is a position we deem good, we will support it without having to send our leader to government palace to ask for employment or a favor in return. [end recording]

Lula mentioned the PT participation in the runoff in the states.

[Begin Lula recording] I personally believe the PT must participate in the process. Do not ask me whom we will support, but I believe the PT must participate, it should not remain outside the process.

The matter will be discussed by the party executive board, in keeping with the situation and with political conditions in each state. [end recording]

PMDB Expected To Have Largest Bloc of Deputies in Sao Paulo

PY0810012294 Rio de Janeiro JORNAL DO BRASIL in Portuguese 6 Oct 94 p 9

[FBIS Translated Text] With 24.79 percent of the votes—10,442 ballot boxes—counted in Sao Paulo State,

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political parties are beginning to make calculations about the future size of their blocs of federal and state deputies. The coalition led by the Brazilian Democratic Movement Party [PMDB] is the leader in the number of seats won in the Chamber of Deputies, with 18.42 percent of the total number of votes. The Brazilian Social Democracy Party [PSDB] will have the second largest bloc of federal deputies for Sao Paulo. According to projections made by the PSDB leadership in Sao Paulo, the PSDB-PFL [Liberal Front Party] coalition may elect 22 deputies, 18 of them being PSDB members. Thus far, the PSDB candidates have obtained 14.73 percent of the votes counted.

The coalition led by the Workers Party [PT] has obtained 9.32 percent of the votes. PT leaders expect their coalition to elect 19 federal deputies, 17 of them being PT members. Meanwhile, the Progressive Renewal Party [PPR] and the Popular Party would obtain 7.15 percent of the seats assigned to Sao Paulo in the Chamber of Deputies. Blank and null votes stand at 43.73 percent. Nearly 29.61 percent of the voters decided to annul their votes and 14.12 percent left the box for federal deputy on their ballots unchecked.

There were fewer blank or null votes—26.59 percent null and 14.01 percent blank—in the election of deputies for the state legislative assembly. The PMDB is also expected to have the largest bloc in the state legislature. As of now, the PMDB has 20.82 percent of the total number of votes; the PSDB, 13.97 percent; and the PT, 8.65 percent.

Preliminary Vote Tally Shows Congressional Breakdown

PY0810025194 Madrid EFE in Spanish 2140 GMT 7 Oct 94

[FBIS Translated Text] Brasilia, 7 Oct (EFE)—Political sources today reported that Fernando Henrique Cardoso, the virtual Brazilian president-elect, will control 61 percent of the 81 Senate seats, if he decides to conduct a complex negotiation to this end.

The probable congressional bloc will be comprised of senators of the Brazilian Social Democracy Party (PSDB), the Liberal Front Party (PFL), and the Brazilian Labor Party (PTB), who will unite around the virtual head of state. The PFL and PTB, which have conservative leanings, have supported the electoral alliance.

A group of PMDB (centrist) members—which is controlled by Jose Sarney, former president and current senator, and some "unfaithful" from other parties—can join the aforementioned congressional bloc.

With the renewal of two-thirds of the Senate after the 3 October general elections, the PMDB—which is the main Brazilian political force—will have the largest senatorial bloc (27 percent). It will be followed by the PFL bloc (22 percent) and Cardoso's PSDB (13 percent). According to partial vote tally showings, the fourth bloc will be that of the Progressive Renewal Party (PPR—conservative) and the Democratic Labor Party (PDT—social democratic).

The remaining seats will be controlled by six other groups: the Workers Party (PT—socialist), the Popular Party (PP), the Brazilian Labor Party (PTB), the Brazilian Socialist Party (PSB), the Liberal Party (PL), and the People's Socialist Party (PPS—former Communist Party).

Among the senators-elect, who will be sworn in on 1 February 1995 for an eight-year mandate, are 23 former governors, including Antonio Carlos Magalhaes, Iris Resende, Edison Lobao, Vilson Kleinubing, and Roberto Requiao.

One of the star senators will be Romeu Tuma, a former Federal Police director general and Interpol vice president for America. Tuma received an impressive number of votes in the state of Sao Paulo.

Three senators have been elected to represent each of the 27 states of the Brazilian Federation.

The Superior Electoral Court (TSE) believes that by 10 October, it will have scrutinized 95 percent of the overall ballots cast by the almost 80 million [figure as received] Brazilians in order to elect the president of the Republic and his vice president, 513 federal deputies, 54 senators, 27 governors, and 1,059 legislators for the state legislative assemblies.

Because the elections for federal deputies are proportional and under the responsibility of each of the 27 regional electoral courts, the national official figures for the federal deputies elections are still unknown.

According to preliminary, unofficial reports, the PMDB (with 25 percent), the PFL (with 13 percent), and the PPR (also with 13 percent) will head the largest congressional blocs in the Chamber of Deputies, which characteristically has very dispersed forces.

'Most Voted' Candidates for Federal Deputy Listed

PY0810023694 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 7 Oct 94

[FBIS Translated Text] Many people who are well known in political and government circles are among those elected on 3 October.

Former Governor Newton Cardoso of the Brazilian Democratic Movement Party [PMDB] is the most voted candidate for federal deputy in Minas Gerais State. Aecio Neves [Brazilian Social Democarcy Party—PSDB], the grandson of late President Tancredo Neves, who had sponsored the bill on the young people's right to vote, is being comfortably reelected as federal deputy. Eliseu Resende—who served as president of Furnas

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Electric Power Plants, Inc., and as minister of transport and finance—is also being elected deputy for Minas Gerais.

Former Social Security Minister Reinhold Stephanes is one of the most voted candidates for federal deputy in Parana State.

Former Governor Franco Montoro [PSDB] is proving in Sao Paulo that he can obtain votes: He is the most voted candidate for federal deputy in Sao Paulo.

There is a family of winners in Paraiba State: Former Governor Ronaldo Cunha Lima [PMDB] is winning a Senate seat; his brother Evandro is being reelected as federal deputy; and his son Casio—who already served as mayor, deputy, and superintendent of the Northeast Development Superintendency—is the uncontested leader in the race for federal deputies in the state.

Deputy Inocencio de Oliveira [PFL], president of the Chamber of Deputies, is one of the most voted candidates for federal deputy in Pernambuco State. He is easily winning reelection.

The most voted candidate for the Federal Chamber of Deputies is PFL deputy Luiz Eduardo Magalhaes, who is being reelected with a clear lead over the candidate in second place.

Runoff Elections for Governor To Be Held in 12 States

PY0810020794 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 7 Oct 94

[FBIS Translated Text] The electoral situation remains unclear regarding gubernatorial races in only five states; that is, it is still not known whether there will be a runoff in these states. They are: Minas Gerais, Bahia, Maranhao, Roraima, and Amapa.

The vote tally concluded today in three states. The ballot boxes have ruled that there will be runoff elections in Acre, Sergipe, and Rio Grande do Sul.

Less than 4 percent of the ballots have not yet been counted in Rio Grande do Sul, but the situation is clear. Antonio Britto [Brazilian Democratic Movement Party—PMDB] was unable to obtain more than half of the valid ballots and will again meet Olivio Dutra [Workers Party] on 15 November.

In Sergipe, with practically all ballot boxes counted, Jackson Barreto [Democratic Labor Party] obtained a small lead and will have to again meet Albano Franco [Brazilian Social Democracy Party] in a runoff election.

The vote tally already concluded in Acre. Orlei Cameli [Progressive Renewal Party] came in first place, but he did not obtain the required number of votes to win the election in the first round. Thus, he will again meet Flaviano Melo [PMDB] on 15 November.

With the electoral results reported thus far, there will be runoff elections for governor in 12 states and in the Brasilia Federal District.

Gubernatorial Candidates Participating in Runoff Listed

PY1110024194 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 10 Oct 94

[FBIS Translated Text] Eighteen states have finished counting their votes from the last gubernatorial elections. There will be a runoff in 11 of them. Here is reporter Antonio Carlos Silva's report from Brasilia:

In Acre State, Oleir Cameli and Flaviano Melo will dispute the runoff. In Amapa State, Capiberibe and Jonas Pinheiro. In the Federal District, Valmir Campelo and Cristovam Buarque. In Espirito Santo, Vitor Buaiss and Dejair Camata. In Goias, Maguito Vilela and Lucia Vania. In Paraiba, the dispute will be between Antonio Mariz and Lucia Braga. In Rondonia, Valdir Raupp disputes the runoff with Chiquilito Erse. In Roraima State, Neudo Campos with Getulio Cruz. In Rio Grande do Sul State, Antonio Britto and Olivio Dutra. In Santa Catarina, Angela Amin and Paulo Afonso, and in Sergipe, Jackson Barreto and Albano Franco will dispute the gubernatorial position.

Vote counting is not finished in nine [as heard] states. Those slower in counting their votes: Rio de Janeiro, Piaui, Para, and Maranhao. The other states that are still counting votes are: Minas Gerais, Pernambuco, Sao Paulo, Bahia, and Ceara.

In Rio de Janeiro, the state where the counting process is slowest, only 78.81 percent of the votes have been scrutinized. The runoff will be disputed by Marcello Alencar and Antony Garotinho. Alencar has 35.78 percent of the votes and Garotinho 30.52 percent. In Pernambuco State, Miguel Arraes is the virtual governor-elect with 54.14 percent of the overall ballots. In Piaui, there will be a runoff between candidates Atila Lira, who has received 44.47 percent of the votes, and Mao Santa, who has received 37.56 percent. The same thing is occurring in Bahia; the candidates who will participate in the runoff are Paulo Souto, with 49.31 percent of the valid votes, and Joao Durval, with 25.29 percent. In Ceara, Tasso Jereissati is the virtual governor-elect with 55.33 percent of the valid votes. In Sao Paulo there will be a runoff between Mario Covas, who has received 46.86 percent of the votes, and Francisco Rossi, with 22.23 percent. In Para, there will also be a runoff between Jarbas Passarinho, with 38.21 percent of the votes, and Almir Gabriel, with 37.55 percent of the valid votes. In Maranhao, the situation is as follows: Roseana Sarney will run in the second round of elections with Epitacio Cafeteira. Roseana has 47.46 percent of the votes and Cafeteira 30.64 percent. In Minas Gerais, the candidates who will dispute the runoff are Helio Costa, with 48.28 percent of the votes, and Eduardo Azeredo, who has 27.22 percent.

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Members of Cardoso's Vote-Getting Team Profiled

PY1010033094 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Oct 94 p A6

[Article by Carlos Rydle]

[FBIS Translated Text] In addition to the influence that the Real Plan had on voters, a group of at least 17 people played a major role in hunting for the estimated 43.5 million votes that Fernando Henrique Cardoso might win in the election. This group includes old friends, advertisers, politicians, economists, and intellectuals. This successful team should maintain its influence on the future government. The team includes all the men (and some women) of the virtual president-elect.

Philosopher Jose Arthur Gianotti ranks high among the intellectuals who are close to Cardoso. Friendship ties between them developed in the 1950's, when both studied at the School of Philosophy of the University of Sao Paulo, which at that time was on Maria Antonia Street. Even though he did not engage in routine campaign problems, Gianotti—who is wrongly considered a leftist supporter—worked as an ideologist of "Cardosism" among intellectuals.

In an interview with O ESTADO, Gianotti sent a message to his colleagues who did not agree with his support for Cardoso: "Damn the innocent," he said. He was talking about people phoning him and saying "now the only thing left is to support the animal lottery." "Yet in this case it was a Bolshevik," Gianotti said. He and Cardoso attended a three-year history seminar on Marxism, which began in 1958.

Throughout those 36 months, a selected group of young intellecuals met to read and analyze the three volumes of Karl Marx's "Das Kapital." This group also included political scientist Octavio Ianni, economist Paul Singer, anthropologist Ruth Cardoso—who gained momentum after a shy beginning in the campaign—and sociologist Juarez Brandao Lopes. The meetings were held on Saturdays, at the house of one of the members. "It was surprising that our wives engaged in a type of cooking contest," Singer recalls. "We had dinner in the middle of discussions."

People who are not from that time but who were at the axis of the campaign are being more frequently mentioned by the press. This is the case with engineer Sergio Motta. A personal friend of Cardoso, and his partner in a ranch in Minas Gerais, Motta controlled presidential campaign finances. However, he ended up providing input on everything.

A successful entrepreneur, Motta jokingly says that he will not be at Planalto Palace to witness his friend's success, because he will be out of the country over the next four years. Funds for the campaign were not, however, managed only by Motta. Economist and former Minister Luiz Carlos Bresser-Pereira, who also enjoys the confidence of Cardoso, coordinated the finance committee.

Agronomist Francisco Graziano and journalist and lawyer Ana Tavares made up the two-member team that most permanently accompanied Cardoso on various occasions. Ana, for example, should have dealt with the press, a mission that she has fulfilled since 1985. She is actually a dear friend of the Cardoso's. The door of Cardoso's office or house is never closed to her, and she is one of the few persons authorized to open letters bearing the "confidential" seal.

Economist Eduardo Jorge also enjoys the same privilege of opening letters. Cardoso's right hand for the past 11 years, his style is sluggish, obnoxious. A career official of the Senate, he holds a doctor's degree in public administration. Jorge coordinated polls and strategy.

"He is one of the few team members who accompanied Fernando Henrique Cardoso at Itamaraty," another team member said. Yet Jorge was entrusted with other missions, among them, to serve as a liaison for several political contacts. He enjoys so much confidence that Jorge has managed the chief's bank accounts for the past two years.

Concerning polls, the team's most recent member is Antonio Lavareda. He analyzed qualitative surveys, which measure voters' reaction to various aspects of Cardoso's candidacy. Based on this information, the team designed the strategy for the parabolic antenna episode.

Gilda Portugal Gouveia, a sociology professor at the University of Sao Paulo (USP) who also served on Cardoso's team, said: "We realized that classes D and E of the population did not pay any attention to Ricupero's remarks." The professor, who was in charge of coordinating Cardoso's campaign in Sao Paulo, added: "Thus we decided to adopt a low profile regarding this problem." All the advertisements for Cardoso's campaign were prepared in Sao Paulo.

These types of decisions, however, were never made without the acquiescence of at least two advertising experts: Nizan Guanaes and Geraldo Walter. Guanes was the chief publicist and Walter was in charge of preparing candidate Cardoso's television appearances. Prof. Portugal said: "We did not intrude in this area." Despite not being a professional speech writer, Eduardo Greiff—a former USP student of the virtual first lady—emerged as another eminence grise of Cardoso's team during the free electoral program. Greiff never worked behind cameras, but he was in charge of writing the lines Cardoso read during his televised appearances.

Economist Paulo Renato de Souza should be credited with having systematically organized the issues and goals addressed by Cardoso during his campaign. De Souza's background includes working at the Inter-American Development Bank (IDB) and at the University of Campinas. Among other things, De Souza outlined 80 topics of discussion for working groups.

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On the political front, Pimenta da Veiga—former mayor of Belo Horizonte—assumed the leading role in light of the family problems that prevented Euclides Scalco from doing this job full time. Pimenta da Veiga, who is the national president of the Brazilian Social Democracy Party, has become one of Cardoso's closest advisers in recent months. Proof of this has been Pimenta da Veiga's criticism of Cardoso's overexcitement about his chances of winning the election during the first round.

In Cardoso's government, Pimenta da Veiga would at least be in charge of coordinating the PSDB support for the president's policy. During the campaign, Pimenta da Veiga has already served as liaison between Cardoso and the Liberal Front Party [PFL]. Scalco's job was that of contacting important church groups that had supported the Workers Party in the previous election.

There are also names in the economic area, and Jose Serra—virtual senator-elect for Sao Paulo—is one of them. Serra was one of Cardoso's closest advisers during the implementation of the Real Plan. Cardoso and Serra ultimately disagreed on the pace with which the plan should be implemented. Listed among the economists is Edmar Bacha—one of Cardoso's favorite names when it comes to economics. Bacha, who is a staunch defender of constitutional revision regarding tax reform already this year, appears on all lists of ministerial candidates for Cardoso's cabinet.

UK's Major, Hurd Send Congratulatory Messages to Cardoso

PY0810022694 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 6 Oct 94

[FBIS Translated Text] British Prime Minister John Major today expressed hope that relations between Brazil and Great Britain will grow stronger during the presidency of Fernando Henrique Cardoso. Major sent a congratulatory message to Senator Cardoso for his electoral performance.

British Foreign Secretary Douglas Hurd also sent a congratulatory message to Cardoso.

Editorial Underlines Opportunity Offered by Americas Summit

PY1110162494 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 3 Oct 94 p A3

[Editorial from the "Notes and Informations" page: "Windows of Opportunity"]

[FBIS Translated Text] The change in quality of Brazilian-U.S. relations were described by U.S. Ambassador to Brazil Melvyn Levitsky in an article published by this newspaper on 30 October. His article states that partnership and cooperation activities between the two countries are being developed in the fields of environment, meteorology, and satellite transmission signals in the ionosphere. These projects encompass fields that until not long ago generated nationalist misgivings on the one side, and denial of cooperation on the other. Such research projects are currently being carried out. The "secrets" of our climate and of our environment are being shared. The Alcantara Space Base is being used to launch 33 American research rockets, without a single voice complaining in the name of sovereignty or problems of trustworthiness.

The article written by the U.S. ambassador is not limited to the subjects mentioned above. Its conclusion is a renewal of the vote of confidence obtained by Brazil when it promised Washington that the Brazilian Congress would approve an intellectual property rights law. The obstacle, which for a long time put the harmony of bilateral relations in disarray, was overcome by a reliable and well-intended promise. Have we, Brazilians, changed? Or have the Americans changed?

We have all changed. We all realized that the politicization of trade matters leads to a big zero in an atmosphere in which everybody's objective is to obtain increasing gains. Washington has realized that there is more than one way to deal with problems, and that what is really important is to keep the processes going on. Regarding intellectual property rights, for example, it has been slowly but clearly established that the United States, Chile, and Brazil have different solutions to this subject, in the same way that the EU does not preach what the United States wants. The differences, at the worst moments, do not compensate for the trade and political damages caused by the impasse.

Governments over the entire globe are making an effort to learn to move within the new reality of a world without cold war or bipolarity.

The governments that think they already know everything, and think mainly that tradition is their guarantee for the agitated situations of current times, run the risk of condemning their countries to a role as mere spectators of a dynamic process that is offering unique development opportunities. The United States, despite being the single remaining world power, is not an exception. The absence of a defined enemy and of a present and imminent risk is equivalent to a vacuum of doubts and questions in the heart of the U.S. Administration which, by a remarkable historical coincidence, is headed by a president not used to foreign policy decisions and reluctant in this specific work. Given that we are living through a period free from serious threats to U.S. vital interests, Washington can allow itself the luxury of asking its neighbors for suggestions, rather than imposing a hemispheric policy.

The windows of opportunity are open. This is a unique opportunity for countries like Brazil to prepare progressive and creative suggestions for cooperation and understanding with the United States. The Americas Summit, disregarding its inadequate date and seat, offers a pretext for our security and trade interests to be reviewed in

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keeping with our current domestic and international situation, as well as a pretext to converge with U.S. objectives.

This is a chance to make our influence felt on the international agenda. A convergence toward security and trade interests can be sought without any political subordination or diplomatic alignment. But this window of opportunity will not remain open forever. If this opportunity were not taken advantage of to present a timely, creative, and mutually advantageous agenda, the U.S. Government will withdraw its proposal once time runs out at the end of the current administration. If it receives no answer from Brazil, it will double its attention toward its constituents in Iowa.

Chile

Survey Shows Frei Gained Popularity After Cabinet Shuffle

PY0710213594 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0100 GMT 6 Oct 94

[Name and figures given in captions]

[FBIS Translated Excerpt] According to a public opinion poll conducted by Adimark, which was publicized on 5 October, the cabinet reshuffle had a positive effect on the Frei administration's image. Dissatisfaction with the authorities' actions was centered on the areas of health care and the fight against poverty and crime.

The public opinion survey was conducted between 9 and 30 September in the leading cities of the country. Adimark noted that as one-third of the survey sample had already been taken when the cabinet was reshuffled, this analysis is merely for reference purposes.

[Begin Adimark Director Roberto Mendez recording] Only 43.4 percent of those polled approved of President Frei's administration before 20 September [when the cabinet reshuffle took place]. The approval rate climbed to 57 percent after 20 September. Hence, with all due reservations, it is possible to infer that the approval rate increased considerably after the cabinet reshuffle. [end recording]

Having taken stock of the six months this administration has been in office, Adimark said that 52.7 percent of those surveyed approved of President Frei's administration. This figure is slightly lower than the one obtained in June—54.2 percent. The survey showed that 24.7 percent disapprove of the administration compared with the 14.5 percent in the previous survey. Still, President Frei continues to be the most popular figure among 32 political leaders.

Chileans' support for the administration's economic policy has declined over the last three months. Nevertheless, it continues to be one of the areas that has the highest approval rating, together with foreign affairs and relations with the Armed Forces. The area that fared worst of all was health care. [passage omitted]

Government, Private Sector Examine Fruit Export Issues

94P21234A

[FBIS Media Note] Government and private sector representatives have recently held discussions on how to deal with the current difficulties of the fruit producers. Issues examined include quality control, financing, and export promotion.

The government announced on 2 September that it would submit to Congress a bill to establish mandatory quality certification for fruits and vegetables grown for export. As reported in Santiago LA NACION on 3 September, the measure has the support of producers and exporters and puts an end to a "years-long dispute" between the public and private sectors about what kind of oversight should be practiced and by whom.

According to the report, the proposal sets forth a national quality certification system having the following components: national technical standards defined by the private sector and approved by governmental authorities; quality certification by businesses authorized to do so, and definition of the administrative procedures for this; a public registry of the certifying businesses; and monitoring of the system's operation by the Agriculture and Livestock Service, which will also have the power to punish infractions.

The paper said that the need to establish this type of system had been acknowledged for some time by all the parties in order to ensure the entry of Chilean fruit and vegetables into foreign markets, particularly in Europe. In recent years the European Union (EU) has penalized Chilean exports several times for not complying with minimum quality requirements. The value of fruit exports dropped from $991 million in 1991 to $872.5 million in 1993, and it has been calculated that income from fruit exports has dropped by 1 percent this year although export volume has been 5 percent higher.

Agriculture Minister Emiliano Ortega was cited by the paper as saying the bill was the result of a systematic joint effort by private sector and government leaders in which "ideological elements were less significant than the national interest." Ricardo Ariztia, president of the Fruit Producers Federation, said the bill is "a serious work that has very considerable support; we believe it will achieve the objective we hope for, which is to improve the producers' returns." Export Association President Ronald Bown said that the agreement should improve the "poor" relations between producers and marketers, and that "the quality level of Chilean fruit will rise, on average, and that will obviously bring higher prices."

The problems of and outlook for the fruit-growing sector were discussed at the Eighth Fruit Producers Federation

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Convention, which was held as part of Expoagro94, with Ariztia and Ortega as the main speakers. In contrast to the lack of accord between the fruit producers and the Agriculture Ministry under the previous government, the two speakers agreed on their diagnosis of the critical situation in the sector, according to the report in the 9 September Santiago EL MERCURIO.

Ariztia stated that the sector's problems began with the "poisoned grapes" case in the United States and have continued with factors such as compensatory fees in the EU, the fruit fly, and high internal costs. The sector also has accumulated $1.9 billion in debt, which "could cause the commercial bankruptcy of this activity," in Ariztia's opinion. He believes that it is now time to focus on what can be done to change this situation. He sees the appreciation of the peso relative to the dollar as the main cause of the crisis. He also urges the government to "open up the capital account more, reduce interest rates, and free up foreign credits as the only way to make up for the lack of access to credits from domestic banks."

On the other hand, Ariztia pointed to "notable progress" in providing producers with information that can help them adapt better to changes in markets. He expressed interest in changing the legal standards so that producers can gain the status of exporters and thus receive a number of tax benefits. Another positive aspect, in his view, is the Foreign Ministry's decision to name agricultural attaches, who should work to reduce tariff barriers to Chilean fruit. He asked for greater state support for promotion of Chilean products abroad and greater transparency in the contracts with exporters.

In his analysis of the sector, Ortega declared that it is suffering from increased competition from other countries that have followed Chile's model for success. He stated that the exchange rate is not the only cause of the sector's problems, and that increasing internal costs have played a major role. Thus one of the sector's main challenges is to deal with the changes in the labor market and resulting wage issues. He recommended using improved technology and diversification to increase competitiveness, and raising the skill level of the workforce to increase productivity. He proposed that the private sector and the government work together to open new markets, citing agreements signed with China that should increase fruit exports to that country. He stated that the ministry will be asking for more funds for promotion and should have about $5-7 million available in 1995, in comparison to the $2-3 million allocated for this year.

Colombia

Prosecutor General: Toft Could Be Asked for Deposition

PA0710194794 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 7 Oct 94

[From the "National Newscast"]

[FBIS Translated Text] The Colombian Prosecutor General's Office could officially summon Joseph Toft, former DEA director in Colombia, to make a deposition regarding the charges he made upon leaving the country. The Prosecutor General's Office seeks to establish once and for all which of the former DEA director's statements are true and which are not. This time there would be no room for speculation, as Joseph Toft would have to testify and provide specific evidence of infiltration in Colombian Government institutions.

[Begin recording] [Unidentified reporter] Should Joseph Toft come to Colombia to testify of his own free will?

[Prosecutor General Alfonso Valdivieso] That is one possible course of action. Another way would be for him to send us a deposition. Unfortunately, we have heard statements by Mr. Toft that suggest there is some sort of cover-up, or that information is deliberately being withheld regarding alleged actions about which he implies he has knowledge. [end recording]

The prosecutor general clearly stated that the Colombian Government will no longer allow the DEA to be a lone ranger in the fight against drug trafficking. All evidence collected by their agents in our country must be immediately reported to the Prosecutor General's Office.

The head of the country's main investigative agency also said that drug traffickers airlifted the largest amounts of drugs thus far this year to supply their international markets while the U.S. radar installations were not operating in Colombian.

DEA Administrator Thomas Constantine offered Colombia a public apology for the statements made by Joseph Toft, the former director here. In a letter to President Ernesto Samper, sent through the Defense Minister Fernando Botero, the DEA director officially rejected the statements made by his former agent in Colombia. He indicates that relations with Colombia have been and will continue to be very positive. The note also addresses the need to review DEA operations, which should ensure effectiveness in the fight against drug trafficking. The U.S. agency announced that the new DEA director in Colombia will be (Tony Seneca).

Police Head Pleased With Appointment of New DEA Director

PA0810012794 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 8 Oct 94

[FBIS Translated Text] Police Director General Octavio Vargas Silva has said he is pleased with the appointment of a new DEA director in Colombia. DEA Director Thomas Constantine has announced that Anthony Seneca is the new DEA director in Colombia.

Seneca, who will replace Joseph Toft, was present at a recent meeting against drug trafficking held in Ecuador. He had his first contact at that time with the Colombian

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police through Gen. Vargas Silva and Narcotics Director Colonel Leonardo Gallego, who is attending an intensive intelligence course:

[Begin Vargas Silva recording] We need international cooperation in our struggle against drug trafficking, which is a multinational crime Colombia cannot fight alone. [end recording]

ELN Commander Willing To Begin Talks With Government

PA0910025894 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 9 Oct 94

[Report by Francisco Javier Diaz and Soraya Yanine from the "TV Today" newscast]

[FBIS Translated Text] There was an important advance toward possible peace negotiations in Colombia today when top ELN [Army of National Liberation] leader, the priest Manuel Perez, expressed his willingness to agree to dialogue. The government has expressed its satisfaction and pointed out points of agreement with the guerrilla leader's statements.

[Begin recording] [Perez] We are inclined, decided, and have the will to find a political solution to the conflict. Thus, we are very willing to start talks with Samper's government.

[Peace Commissioner Carlos Holmes Trujillo] This as a positive advance in the policy proposed by President Samper for several reasons: First, because it is an expression of willingness and decision to find a political solution to the conflict. Second, because of the willingness to establish a basis for negotiations without any preconditions. [end recording]

Both priest Perez and the government are aware of the need for a dialogue, but one with clear objectives.

[Begin recording] [Perez] But, in addition, as the Guerrilla Coordinating Board, we are disposed to search for paths that will start to open possibilities. Thus we await more concrete proposals on how such talks could take place.

[Holmes] Least advisable in all of this would be to be too hasty and create false expectations. The country wants a great peace agreement, not a new frustration. [end recording]

Although the mechanisms for reaching the negotiating table and establishing a working agenda have not been established, this rapprochement opens many possibilities, if the parties involved in the conflict maintain their will to achieve peace.

Presidency Calls Statements 'Positive'

PA0910031294 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 9 Oct 94

[Report by Diego Suarez at Narino Palace in Santa Fe de Bogota; from the "TV Today" newscast]

[FBIS Translated Text] The Presidency of the Republic issued a communique a few minutes ago on the statements to the media by Spanish priest Manuel Perez, the chief of the Army of National Liberation. In it, the Presidency describes as positive the guerrilla priest's attitude to accept a peace process to achieve national reconciliation and to establish the basis for a future dialogue that will set us on a path to peaceful coexistence in the country.

The Presidency's communique also reiterates its willingness to reach a discrete and reserved agenda with those guerrilla groups that show a true will for reconciliation.

One ELN Member Killed, Three Police Wounded in Attacks

PA0910182394 Santa Fe de Bogota Inravision Television Canal A in Spanish 1800 GMT 8 Oct 94

[From the "Cripton Newscast"]

[FBIS Translated Text] Six rebel attacks against five CAI [Immediate Attention Centers] and a police substation took place simultaneously in the last few hours. A group of 12 rebels attacked the guard posts almost simultaneously. One of the rebels was killed when he tried to activate a fragmentation grenade. Three policemen are wounded. More on this story from reporter Cesar Castro.

[Castro] History repeats itself. Just like the attacks two months ago, ELN [Army of National Liberation] rebels simultaneously attacked five CAI's and a police substation in Villa Vicencio.

[Begin Police Commissioner General Luis Enrique Montenegro recording, identified by caption] Of course, the situation continues. The rebels' lightning strikes will continue. We should feel fortunate that the escalation in Santa Fe de Bogota has been sporadic. If you look at the rest of the country, there is a series of stepped-up rebel attacks every day with serious results. [end recording]

At 0530, in the Libertadores neighborhood in southeast Santa Fe de Bogota, 12 rebels armed with grenades and rifles attacked the CAI. When the police responded to the attack, Jaime Alberto Arango, a presumed rebel activated a grenade, which blew up in his hands.

[Unidentified resident] It looked like a butcher shop.

[Unidentified speaker] Why?

[Unidentified resident] Because of the blood splattered all around and the chunks of flesh flying through the air. [end recording]

In the other clashes, three policemen were wounded, and at this time, urban counterguerilla forces are posted at the principal CAI. According to authorities, these kinds of attacks will continue in order to scuttle the 30 October elections. This is why the cooperation of the citizens is vital in reporting any unusual movements.

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Report Details Arrests of Guerrilla Leaders

PA0810220894 Santa Fe de Bogota EL TIEMPO in Spanish 4 Oct 94 p 14A

[FBIS Translated Text] Never before have the country's three main guerrilla groups suffered such periodic blows to their existing command structure in various areas throughout the country. An official report discloses that in the past 18 months nearly 20 leaders of guerrilla fronts and regions have been captured.

It may be concluded from Armed Forces' reports on operations against guerrilla leaders that the EPL [Popular Liberation Army] is the subversive group that has sustained the most blows to its command structures over the past few months.

Six leaders, including the commander, the subcommander, and the person in charge of EPL communications, are behind bars today.

The ELN's [Army of National Liberation] situation is not much different. Even though there were no further blows in 1993, after the December 1992 capture of one of the ELN's most important guerrillas, Francisco Galan, 1994 seems to have been a less fortunate year for them.

Paradoxically, the FARC [Revolutionary Armed Forces of Colombia], the country's largest subversive group, has been hit the fewest number of times over the past few months.

Nevertheless, of all of those captured, none have been sentenced. All were detained in observance of previous arrest warrants issued mostly for crimes of rebellion and kidnapping.

Guerrilla dynamics are nearly always the same, or, as the adage goes, "out with the old, in with the new." They simply promote the second in command or transfer a group leader from another part of the country.

The ELN

The toughest blow to the ELN over the past few years was undoubtedly the December 1992 capture of Francisco Galan, the third-ranking man in the command structure. But 1994 does not seem to be a good year for ELN members.

The toughest blow apparently came on 24 June when the Army's 13th Brigade captured Carlos Arturo Velandia Jagua, "Felipe Torres." He was designated by military intelligence as "responsible for national ideological-political training."

According to a restricted military report that summarizes the records of captured guerrilla leaders, Felipe Torres belonged to the National Military Commission and had led the Urban Commandos and the Camilo Torres, Companero Tomas, and Compania Anori Fronts.

But another four ELN guerrillas have also fallen into Army hands: Ovidio Cabrera Lombana, a.k.a. "Ezequiel"; Efrain Pabon Front Commander Idelfonso Chacon Jaimes, a.k.a. "Nelson"; Domingo Lain Front—the ELN's most powerful front—leader Hugo Arnulfo Robles Cermeno, a.k.a. "Chimu-turro negro"; and Domingo Lain Front's second in command, Hugo Ildebrando Sanchez Velasquez, a.k.a. "Macario" or "Sepulveda."

The EPL

The rash of arrests of the EPL leadership began on 2 January 1993, when the Army located second-in-command Humberto Javier Callejas Rua at a house in Cartagena.

Later, on 22 June this year, the EPL suffered another blow which could prove decisive: Francisco Caraballo and Carlos Humberto Rojas Sanchez, a.k.a. "Genaro," were captured by the Army in Cajica (Cundinamarca). The main charges against Caraballo are of being responsible for the murder of his former comrades in arms, of the now demobilized Hope, Peace, and Liberty movement. The Office of the Prosecutor General is also investigating Caraballo for other crimes like rebellion and the murders of priest Javier Cirujano Arjona and Major Luis Demetrio Yepes, as well as the kidnapping of Congressman Norberto Morales Ballesteros.

When Caraballo and "Genero" were arrested, Gildardo Arias Valencia, a.k.a. "Eduardo Ramirez," and Efrain Viveros Filigrama, a.k.a. "Victor Ararat," both members of the EPL Central Committee, had already been captured. According to confidential military reports, "Eduardo Ramirez" was the EPL's ideological chief, and "Victor Ararat" was responsible for organizing urban guerrilla networks in southwestern Colombia following Central Committee instructions.

Also under arrest are Jairo de Jesus Chiquito Becerra, a.k.a. "Libardo," charged with being commander of the EPL's Oscar William Calvo Front and wanted by the Medellin Prosecutor's Office. He stands accused of kidnapping, rebellion, and homicide.

The FARC

The FARC is the largest guerrilla group, and the least hit by continuous arrests of its leaders during the past months. The authorities have not been able to locate any of its principal leaders. Not one of the many arrested surpasses the rank of front commander.

The most recent arrest was that of Agustin Gabriel Hoyos Penata, a.k.a. "Erlindo," who has been identified as commander of the FARC's 58th Front. Hoyas was arrested a week ago by the Navy in Turbo (Antioquia).

The list of arrested FARC commanders only includes the alleged commander of the 43d Front, Eladio de Jesus Higuita, a.k.a. "Marlon Montealegre," who was captured in Santa Fe de Bogota in July 1993.

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Pedro Antonio Camacho, identified as the leader of the 47th Front, was killed by the Army on 22 February. Also killed were Jose David Ramirez, a.k.a. "Grandulona," charged with being commander of the FARC's 22d Front operating in Viota (Cundinamarca).

Now the Prosecutor's Office's greatest challenge is ensuring that intelligence reports on and eyewitness accounts of FARC activities be used effectively in a manner that helps bring guerrilla leaders to justice.

Peace Commissioner on Possible Resumption of Peace Talks

PA0710135794 Mexico City NOTIMEX in Spanish 2025 GMT 5 Oct 94

[By correspondent Edelmiro Franco V.]

[FBIS Translated Excerpt] San Salvador, 5 Oct (NOTIMEX)—Carlos Holmes Trujilo, high commissioner for peace in Colombia, said here today that Colombian guerrillas have shown "positive signs toward future peace talks with the government."

"We are currently in an exploratory phase and have seen clear signs of goodwill from the rebels in favor of future negotiations with President (Ernesto) Samper," Holmes Trujillo told NOTIMEX.

Holmes Trujillo ended a three-day visit to El Salvador today, during which he met with government officials, former guerrillas, and political and business groups to learn about the Salvadoran peace agreements.

Holmes Trujillo said that the Colombian Government established a 100-day period to explore the real possibilities of resuming peace talks, suspended in 1992 during Cesar Gaviria's administration.

The Colombian Government's objective, he noted, is to have all sectors of civilian society involved in future negotiations.

With regard to the process through which former Colombian guerrillas have been reincorporated into civilian life since 1989, when the first partial peace agreements were signed, Holmes Trujillo admitted that there are some difficulties, which he described as normal.

"Although actions for their reincorporation have been successful, we must admit that there have been some defficiencies. Therefore, in future talks, the government plans to create a management for peace [gerencia para la paz] and to fully comply with the agreements signed," he stressed.

Holmes Trujillo said that although peace processes "are built in light of existing conditions in each country," it is important to learn from the experience of the Salvadoran peace process.

"The Salvadoran experience should teach us that it is possible to attain peace, and the main lesson should be that despite a very intensive war that lasted many years, peace was achieved through political negotiations. [passage omitted]

Holmes Trujillo also met with the former top commanders of the Farabundo Marti National Liberation Front (FMLN) and with Venezuelan Enrique Ter-Horst, leader of the mission of UN Observers for El Salvador (ONUSAL), among others. [passage omitted]

Samper on Public Order Plan During Municipal Elections

PA0810195494 Santa Fe de Bogota EL TIEMPO in Spanish 4 Oct 94 pp 1A, 6A

[FBIS Translated Text] The government is prepared to invalidate the election results in those municipalities where there is evidence that results where based on coercion and intimidation tactics against voters. It is also prepared to appoint military mayors whenever the situation warrants such a measure.

The announcement was made yesterday by President Ernesto Samper during a governors "summit" summoned to examine the public order situation with less than one month remaining before the elections.

The meeting was prompted by an increase in reports on guerrillas and other extremist groups forcing several candidates into resigning.

One of the most significant cases involves the community of Achi (Bolivar), where 27 council candidates and two mayoral candidates declined to run because of armed pressure.

No to Coercion

Samper reiterated the government's determination to ensure the right to vote for all Colombians on election day. He also announced the implementation of the "Democracy '94 Plan," which seeks to guarantee strict public order controls during the election process.

"In no case will we allow instances of armed lobbying, nor will we hesitate to militarize those regions where we feel there have been generalized intimidation practices against the right to a free vote," the president pointed out.

Samper stated that as part of the "Democracy '94 Plan," it has been decided that state security bodies will protect those candidates who have received threats, and measures will be taken to allow them to carry out their campaigns in a normal manner.

He announced that intelligence operations are being undertaken by the state security bodies together with the Office of the Prosecutor General "to prevent and penalize practices leading to crimes against free vote."

"When there is evidence, events warrant, and the national government has the faculty to appoint military mayors, as per requirements included in the Public

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Order Bill, there will be no hesitation in making use of such a mechanism," the president warned.

"Likewise, if it is proven that the election results came about through clear coercion by subversive or armed groups, we will not hesitate to call for an annulment as well as a repeat of the respective elections," he added.

Incorporates All Governors

The president indicated that in order to develop this plan in a coordinated manner, the government intends to work closely with the Departmental Security Councils.

According to the Democracy Plan, this week the Armed Forces will begin implementing operations in those regions where subversive incursions were recorded during the past elections.

The Armed Forces will not cease to carry out operations against the subversion, Samper indicated.

The president stressed that military operations to guarantee normalcy during the elections will be completely successful only with the support of the governors and mayors.

"Public force protection during the elections will be 100 percent. At the 1,043 main municipal cities, we will be able to rely on Armed Forces personnel who will guarantee a normal election process. Nearly 60 percent of the public force personnel will be covering the 47,000 voting tables established by the elections organizers," Samper explained.

Authorities Issue Warrant for Rodriguez Orejuela Brothers

PA0910042594 Santa Fe de Bogota EL ESPECTADOR in Spanish 5 Oct 94 p 10A

[Article by Julia Navarrete M.]

[FBIS Translated Text] The Prosecutor General's Office, backed by evidence provided by the U.S. Justice Department, has issued arrest warrants for drug trafficking for brothers Gilberto and Miguel Rodriguez Orejuela.

This newspaper has learned that the evidence was provided last week by a court in Louisiana, United States, in keeping with an announcement made by that country's Justice Department after the Judicial Cooperation Agreement signed in 1991 was reactivated.

The documents were handed by the U.S. Embassy to the International Affairs Office in the Prosecutor General's Office, based on the binational memorandum of understanding that allows diplomatic channels to be bypassed.

It was established that the Bogota regional prosecutor's office issued the warrants based on evidence provided by the U.S. court. The proceedings had remained paralyzed in Cali for more than three years due to lack of evidence. Prosecutor General Alfonso Valdivieso Sarmiento ordered the file transferred to the capital.

The Louisiana court presented overwhelming evidence on the activities of the chiefs of the Cali Cartel. They were charged with drug trafficking and distribution, money laundering, and maintaining an existing criminal enterprise.

This judicial measure is the first issued in Colombia on drug trafficking charges against the chiefs of the Cali Cartel. Only two arrest warrants have been previously issued, one for a dynamite attack on the Monaco Building in Medellin, which was owned by Pablo Escobar Gaviria, and another for illegal enrichment in relation to the negotiation of a farm in Silvia (Cauca).

The reactivation of the judicial proceeding, as this newspaper reported, began when the U.S. Justice Department presented evidence to support drug trafficking charges against Humberto Renteria Calero, another Cartel leader who surrendered to authorities in Cali.

Colombia To Propose Accord Against Asset Laundering

PA0910024194 Santa Fe de Bogota EL ESPECTADOR in Spanish 6 Oct 94 p 6A

[FBIS Translated Text] Colombia will propose the approval of a great inter-American accord against laundering of assets at the hemispheric presidential summit scheduled for December in Miami.

Justice Minister Nestor Humberto Martinez told the Senate's First Commission yesterday that said international instrument must establish separately the offense of money laundering for different kinds of assets, resulting from all forms of international organized economic crime, such as illicit trafficking in weapons, narcotics, human organs, children, terrorism, and corruption, among other issues.

It will also include provisions on the exchange of evidence and information for juridical, customs, financial, and fiscal purposes.

In addition, bank supervisory authorities will be banned from authorizing their financial institutions to conduct capital investments in those countries that do not adhere to the principles of the convention and that allow bank reserves to be used as a mechanism for laundering capital.

Speaking at the Forum on Corruption and Ethics for Public Officials held in the Senate's First Commission and coordinated by Legislator Claudia Blum, the high-ranking official asserted that the anti-corruption statute scheduled for discussion next week in the High Chamber will include as an offense the laundering of assets from illicit activities. He added that it will create a system of economic benefit, for example rewards for reporting this kind of conduct. The anti-corruption statute will also increase economic controls so that transactions exceeding a specific amount must be disclosed and suspicious operations must be reported.

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In addition, specialized units will be created within the superintendencies of banks and securities to fight this scourge in strict coordination with the Prosecutor General's Office.

Coincidentally and at the same forum, Senator German Vargas Lleras took the floor to comment on the main anti-corruption statutes, which he proposed with his colleague Rodrigo Villalba. The document calls for reforms to the penal system in the area of offenses against collective juridical properties, as well as legalizing, concealing, or transferring assets derived from said illicit actions.

It also calls for the creation of the National Morals Commission.

Meanwhile, former Justice Minister Enrique Parejo has said that influence peddling is a cause of corruption, adding that it is necessary to implement the Civil Service Law. He proposed the establishment of measures to avoid monopolies in the media. Claudia Blum and Mario Uribe spoke on strengthening the congressional ethics commissions and the aforementioned anti-corruption statute. Senator Claudia Blum remarked that that social virus is causing the state to lose money needed for social investments and that the harmful impact of corruption goes beyond economic damage.

Ecuador

President Presents Constitutional Reforms to Congress

PA0710162794 Quito Voz de los Andes in Spanish 1200 GMT 5 Oct 94

[From "The Voz Andes Newscast"]

[FBIS Translated Text] President Sixto Duran-Ballen has presented the draft constitutional reforms to Congress. The president presented the basic reforms to speed up changes in the country's constitution. The president and the legislators attended the official ceremony.

The constitutional reforms submitted by the president contain several changes in the country's constitution: the depolitization of the election of justices, the political and economic decentralization of the state, the establishment of a bicameral congress, the creation of new institutions to help citizens, and the inclusion of the results of the seven questions asked in the referendum.

The reforms must be debated within 100 days, as established by the Ecuadoran people in the 28 August referendum.

World Bank Official Meets Vice President, Announces Loans

PA1010021994 Paris AFP in Spanish 1821 GMT 9 Oct 94

[FBIS Translated Text] Quito, 9 Oct (AFP)—Today, after meeting with Ecuador's economic policy architect, Ecuadoran Vice President Alberto Dahik, Shahi Javed Burki, the World Bank's vice president for Latin America and the Caribbean, affirmed in this capital that the organization will grant $189 million in credits to Ecuador.

Burki arrived in Ecuador yesterday for a one-week visit. On Monday he is scheduled to meet with Ecuadoran President Sixto Duran Ballen.

The new credits will be used to finance social, agricultural, and ecological proyects, as well as state modernization projects to include the judicial system.

Since 1954, Ecuador has received 50 loans worth approximately $2 billion that have been invested in productive sectors and social and infrastructure projects, as well as in technical assistance.

The important World Bank official will make a brief visit to the Galapagos Islands, 900 km from the continent.

Paraguay

Senad Executive Secretary Attacked Twice, Seriously Wounded

PY1010133294 Asuncion Radio Primero de Marzo in Spanish 1219 GMT 10 Oct 94

[News conference by Army spokesman Colonel Medina Monjata in front of the Military Hospital in Asuncion—live]

[FBIS Translated Excerpt] [Medina] Let us briefly describe the facts, so that the public can learn what happened this morning. At 0700 this morning Brigade General Ramon Rosa Rodriguez [executive secretary of the National Antinarcotics Secretariat, Senad] along with his driver Pedro Fleitas, a civilian, took Gen. Rosa's daughter to the International School in Asuncion. After Gen. Rosa had bidden his daughter farewell at the school, and as he was climbing into his car, he was attacked, presumably with a shotgun, which seriously injured driver Pedro Fleitas and slightly injured Gen. Rosa in one arm.

Gen. Rosa immediately phoned Senad for help from his car. His personnel arrived immediately. Rosa then boarded a military vehicle. The driver of this vehicle was NCO Miguel Sanabria, who was accompanied by First Lieutenant Luis Lugo, NCO Genaro Mendez, and Captain Juan Ruiz Diaz. As the vehicle with Gen. Rosa came up Rio de Janeiro Street, it was subjected to a second attack, right in front of the Armed Forces Physical Education School.

The current condition of Gen. Rosa is as follows: He has a bullet wound to the head. The bullet entered through the occipital region and did not come out.

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Cap. Ruiz Diaz is injured in the region of the left eyebrow, with a bullet hole entering on the left and another where the bullet exited in the right frontal region.

The condition of Gen. Rosa is very delicate; he is in a deep coma. The condition of Cap. Ruiz Diaz is not as serious, and he is under observation.

Driver Fleitas, a civilian, who was injured in the first attack, is also in very serious condition. He is hospitalized at the First Aid Hospital.

Investigations are under way, and we think that we will soon be able to inform the public about the reason for this attack. [passage omitted]

[Unidentified reporter] About the second attack, which took place in front of the Armed Forces Physical Education School, was it carried out by people inside the jeep in which Gen. Rosa Rodriguez was being transported?

[Medina] This is under investigation. We cannot yet determine whether the attack was committed by those inside the military vehicle, or by people outside on the street. [passage omitted]

Antinarcotics Chief Dies

PY1010201594 Asuncion ULTIMA HORA in Spanish 10 Oct 94 p 3

[FBIS Translated Excerpt] Between 0700 and 0745 this morning we had something close to open terrorism in our city. There was an attack with different caliber weapons against General Ramon Rosa Rodriguez, National Antinarcotics Secretariat (Senad) executive director, that resembled an immolation.

The general died in the Hospital Americano at 1230 after undergoing surgery. The clinical death of the general's driver, Pedro Abundio Fleitas, was also announced shortly after midday. Fleitas was interned at the First Aid Hospital after being hit in the head by the discharge of a shotgun.

The attack occurred behind the International School located between Rio de Janeiro, Padre Saubatte, Jose Berges, and Mary Lyons streets, in our city. In this area Gen. Rosa Rodriguez and driver Pedro Abundio Fleitas Silva were attacked by unidentified individuals driving an old white Toyota Land Cruiser, with polarized windows, and license plates covered with cardboard and tape. The vehicle, which also belongs to Senad, was located hours later.

The shots, fired from the shotgun (three times) and presumably a 9-mm gun, originated from this vehicle. [passage omitted]

New Antinarcotics Chief Appointed

PY1010213794 Asuncion Radio Primero de Marzo in Spanish 2050 GMT 10 Oct 94

[FBIS Translated Text] President Juan Carlos Wasmosy has appointed a new executive secretary of the Senad, in view of General Ramon Rosa Rodriguez' tragic death.

President Wasmosy, through Decree 6058, appointed Brigadier General Juan Evaristo Gonzalez Maldonado interim Senad executive secretary. Senad is under the direct jurisdiction of the Presidency of the Republic. General Gonzalez will become Senad executive secretary, but he will continue performing his present duties. The designation is a consequence of Gen. Ramon Rosa Rodriguez' death, which occurred in the line of duty, according to the decree.

Decree 6058 is signed by President Wasmosy and Interior Minister Carlos Podesta.

Witnesses, Ministers, Army Chief Meet Wasmosy

PY1010214194 Asuncion ULTIMA HORA in Spanish 10 Oct 94 p 6

[FBIS Translated Text] The three witnesses who were with General Ramon Rosa Rodriguez during the attack this morning were interrogated by President Juan Carlos Wasmosy; Interior Minister Carlos Podesta; General Lino Oviedo; Vice Admiral Eduardo Gonzalez Petit, commander of the military forces; and National Narcotics Directorate [Dinar] Director Publio Fretes.

Lieutenant Luis Lugo and noncommissioned officers Genaro Mendez and Miguel Sanabria informed the president about what really occurred during the attack. The three military personnel, under heavy guard, entered Government Palace through a back door to avoid the press. The witnesses do not have permission to talk to reporters. They went directly to the office where the president, the other military chiefs, and the interior minister were waiting.

One of the three military personnel had bloodstains on him. He was allegedly wounded by some bullet fragments, but was not treated and could not change clothes after the attack. The bloodstains could be seen despite the strong military guard. The three witnesses were later driven to the Military Justice Tribunal, in Itagua.

At the end of the meeting, those who participated refused to give any details to the press. It was said that Interior Minister Carlos Podesta was charged with telling reporters what the witnesses had said.

Dinar chief Publio Fretes also refused to talk to the press, despite the fact that he was the only person who talked with the witnesses before their meeting at Government Palace. He said there has apparently been a controversy between Senad and Dinar officials.

Main Suspect in 'Grave' Condition

PY1010230294 Asuncion Radio Primero de Marzo in Spanish 2105 GMT 10 Oct 94

[FBIS Translated Text] General Lorenzo Morel, director of the Armed Forces Hospital, where Captain Julio Ruiz Diaz is interned, has given us a medical report. Ruiz Diaz is the main suspect in the attack on General Ramon Rosa Rodriguez.

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Morel said Ruiz Diaz can communicate, but only through use of signs. He is conscious of questions posed, but he cannot speak. He can communicate via signs with the people who are questioning him, but the questioning must necessarily be limited, Lorenzo Morel said.

[Begin recording] [Morel] He has a very serious neurological condition. His condition is grave. We request the understanding of journalists. We need to keep him calm. He is under strong guard and, therefore, nothing serious that could cause his condition to deteriorate will occur. We ask journalists to cooperate to keep our patient absolutely quiet.

[Unidentified reporter] What is his medical condition?

[Morel] The medical report says he has a wound in the head, in the forehead. He has a bullet inside his brain. According to the medical team treating him, his condition is serious.

[Reporter] Does the captain speak? Is he conscious?

[Morel] The captain can answer doctors' questions through signs. He understands the questions perfectly well. Doctors are conscious of the need not to ask him too many questions so as not to tire him.

[Reporter] How do you explain the fact that Dr. Felpes [not further identified] said during an interview that Captain Ruiz Diaz is well, that he can talk? How do you explain the contradiction?

[Morel] No, I heard what Dr. Felpes said. His opinion is the same as ours. Ask him again. He will confirm that his condition is serious. His condition did not deteriorate, but remains serious. What he said was that the captain is not in a coma. His condition is not similar to Gen. Rosa Rodriguez' condition this morning. He can hear and respond to questions, but he is in no condition to answer many questions.

[Reporter] [Question indistinct]

[Morel] We are not interested in what happened. We are only interested in the captain's health condition. This is why we have banned all visitors. He has a brother who is a physician. His father is also a physician. We have not allowed them to visit him either. All these measures are in order to safeguard his health. [end recording]

This is part of what Dr. Morel said about Captain Julio Ruiz Diaz' condition. That is all.

Further on Alleged Suspect

PY1110013794 Asuncion RPC Television Network in Spanish 2300 GMT 10 Oct 94

[FBIS Translated Text] There was a news conference at Government Palace tonight to give details regarding the investigation of the incident that resulted in the death of General Ramon Rosa Rodriguez. Dante Melgarejo reports:

[Begin recording] [Melgarejo] The official information released by the interior and defense ministers confirmed that Captain Julio Ruiz Diaz fired the shot that killed Gen. Ramon Rosa Rodriguez. The gun was a 635-caliber pistol. The same pistol was used by the captain later to try to kill himself.

[Interior Minister Carlos Podesta] We have confirmed that Cap. Ruiz Diaz is Gen. Rosa Rodriguez' alleged assassin. The shot that killed Gen. Rodriguez was fired in the jeep that was being driven, by the general's orders, toward the presidential escort regiment. The gun was a 635-caliber pistol. It is a small weapon. Right now Cap. Ruiz Diaz is at the Military Hospital, under strict guard and receiving the appropriate medical treatment in order to ensure that his life is not in danger. We have also clearly determined that the pickup truck that was allegedly used for the first attack belongs to Cap. Ruiz Diaz. We also found the shotgun, which was allegedly purchased at a sport fishing facility.

At this moment, the national police criminology department is working on an analysis of the fingerprints. This is all the information we can give you at this time. [end recording]

Peru

Four Ministers Resign; Health Minister Running for Congress

PA0810204994 Madrid EFE in Spanish 1939 GMT 8 Oct 94

[FBIS Translated Text] Lima, 8 Oct (EFE)—Today in Lima it was announced that four state ministers have resigned from their posts, thus creating a government crisis that is in part a product of the electoral aspirations of at least one of the former ministers.

Those resigning are Agriculture Minister Absalon Vasquez, Education Minister Jorge Trelles, Public Health Minister Jaime Freundt-Thurne, and Transport, Communications, Housing, and Construction Minister Dante Cordova.

Acknowledgment of the resignations appear in four executive resolutions published today in the official daily EL PERUANO. The resolutions thank the former ministers for "significant services rendered to the nation."

For several weeks there had been rumors that several ministers would resign because of their desire to stand for Congress in the general elections scheduled in Peru on 9 April 1995.

The resignations took place at this time because according to the law government officials must leave their posts 180 days before election day if they want to run as candidates. The deadline expires in three days on 11 October.

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President Fujimori said recently that a maximum of two ministers would leave their posts due to the elections, although he did not specify any names.

Yesterday, Friday, Health Minister Freundt-Thurne submitted his resignation and announced that he was leaving his post to run for a seat in Congress. This was confirmed by Fujimori the same day.

The Peruvian president said this was the only member of his team who had decided to run in the elections.

Today, in reporting the resignations, the state news agency ANDINA noted that only Freundt-Thurne reported that he resigned in order to comply with the law on participating in elections.

Freundt-Thurne said he would vacate his post this coming Monday or Tuesday and that President Fujimori who will announce his replacement in the Health Ministry.

Fujimori Confirms Health Minister Quits

PY0810030794 Lima Global de Television Network in Spanish 0130 GMT 8 Oct 94

[FBIS Translated Excerpt] After three days of activities at Government House, President Alberto Fujimori today continued to dedicate infrastructure works, among them the new Navy Quartermaster Building, the new La Punta sewage plant, and the Chuquitos water plant. [passage omitted]

President Fujimori also dedicated the Clara Cogorno School in Cogorno. The school, with a capacity of 560 students, was built at a cost of 850,300 soles. Later, the president also inspected the Madre Teresa of the Sacred Heart parish house, which will be remodeled. Finally, the president also toured the Rimac River channel work in the Estados Unidos shanty town. It was at this point that the president confirmed that Health Minister Jaime Freundt-Thurne had tendered his resignation. Fujimori added that up to now Freundt-Thurne has been the only member of his cabinet who has decided to resign.

During a news conference held today on the occasion of the national family planning campaign, which, among other things, seeks to diminish the national birth rate and increase the prevalence of birth control methods, Health Minister Jaime Freundt-Thurne confirmed that he has resigned his post at President Fujimori's request.

[Begin Freundt-Thurne recording] The president wants me to run for Congress and I believe he is right in requesting me to run for Congress and not to stay in this cabinet.

Today is my next to the last day at the Health Ministry. I have already tendered my resignation. I will be in the Health Ministry until Monday or Tuesday of next week so that I may be allowed to run in the April 1995 elections.

I am leaving but I am very happy about what has been achieved and I will continue to work for the health of the nation from other parts of the government, such as Congress.

Now if you will allow me, I will hereby make my first campaign speech: Vote for Freundt in the April elections. Thank you very much. [applause] [end recording]

Fujimori Accepts Resignations

PA0910130794 Mexico City NOTIMEX in Spanish 2353 GMT 8 Oct 94

[FBIS Translated Text] Lima, 8 Oct (NOTIMEX)—President Alberto Fujimori's government accepted the resignation of the health, education, agriculture, and transportation ministers, all of whom are planning to run for congressional seats during the 1995 elections.

Health Minister Jaime Freundt, Agriculture Minister Absalon Vasquez, Education Minister Jorge Trelles, as well as Transportaion and Communication Minister Dante Cordova, have decided to resign in order to join the list of official candidates.

A fews days ago, Fujimori pointed out that he was allowing his cabinet members to resign if they intended to participate in the general elections, scheduled to take place on 9 April, 1995.

On Saturday, the official gazette EL PERUANO published Fujimori's acceptance of the ministers resignations, but without specifying the names of the resigning ministers, in addition to expressing gratitude to the officials for "the services rendered to the nation."

The four resigning ministers intend to run for a parliamentary position representing the New Majority/Change 90 government alliance, a slate which could be headed by President Alberto Fujimori himself.

The president has so far abstained from officially stating his intentions to run for reelection, but it is expected he will do it at any moment since the candidates registration period before the National Elections Jury expires next Tuesday.

Fujimori as well as his wife Susana Higuchi, and former UN Secretary General Javier Perez de Cuellar are curently assessing who their running mates will be during the elections.

Susana Higuchi's candidacy has been somewhat controversial given the fact that according to the Constitution, her participation in the elections is barred because of her relatiomship to Fujimori. Nevertheless, she has asserted her right to run for public office before the OAS.

New Health, Transportation Ministers Sworn In

PY1110112494 Lima Global de Television Network in Spanish 0130 GMT 11 Oct 94

[FBIS Translated Excerpt] The latest cabinet change is probably marked by the appointment and swearing in of the health minister and of the transportation and communications minister.

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The swearing-in ceremony of the new health minister, Eduardo Yong Motta, and the new transportation and communications minister, Vice Admiral Juan Castilla Meza, retired, took place at Government Palace this evening.

The appointment of the education and agriculture ministers is still pending. [passage omitted]

Fujimori Announces Intention to Seek Reelection

PA0910022094 Paris AFP in Spanish 0206 GMT 9 Oct 94

[FBIS Translated Text] Lima, 8 Oct (AFP)—On the evening of 8 October, Peruvian President Alberto Fujimori announced he will seek reelection with the support of the New Majority-Change '90 liberal alliance in the general elections scheduled for 9 April 1995. Speaking at the inauguration of a public school in Barrios Altos de Lima, the president said he will officially register his candidacy on Sunday.

Fujimori, a 56-year-old agronomist and son of Japanese immigrants, has ruled Peru since 28 July 1990.

"Peru must not go back. It must continue to advance with all its neglected people. In the past four years the people have accompanied me in overcoming the crisis, and now Peru is respectable and attractive for investments," he said.

Amid slogans of "Reelect Fujimori" chanted by residents of Huerta Perdida, one of worst slums of the populous Barrios Altos area, the president said: "You have always supported me, and we will not let Peru go back now." He added: "The government has implemented a strategy to rescue Peru. It has fought hyperinflation and violence, and it has made efforts to open the country to the international economy. The country looks different now, and the Peruvian people need basic services to achieve their well-being."

President Fujimori's principal rivals in the election will be Javier Perez de Cuellar, the former UN secretary general; Ricardo Belmont, the mayor of Lima; and Susana Higuchi, the president's wife, with whom he has had public differences since August. All have stated their independence from political parties.

12 Parties Registered for 1995 Elections on Eve of Deadline

PY1110000094 Madrid EFE in Spanish 0716 GMT 10 Oct 94

[FBIS Translated Excerpt] Lima, 10 Oct (EFE)—A total of 12 political parties have registered for the 1995 presidential elections 24 hours before the deadline to do so expires.

The last party to register with the National Election Board was the center leftist American Popular Revolutionary Alliance (APRA), whose candidate is Mercedes Cabanillas, education minister under Alan Garcia's administration. The party registered yesterday. [passage omitted]

The "great" candidates, chief of state Alberto Fujimori and former UN Secretary General Javier Perez de Cuellar, head every poll, although so far Fujimori appears the most popular with an ample margin of 20 points.

The aforementioned are followed at a considerable distance by the former first lady of the nation, Susana Higuchi, and Lima Mayor Ricardo Belmont, who share some six percent of the votes.

Further back are former Minister Mercedes Cabanillas for the APRA and economist Raul Diaz Canseco for the Popular Action Party, whose leader is former President Fernando Belaunde.

By Tuesday, 18 October, all registered candidates must present the names that will be on their tickets; these are the persons who would, in the event of an electoral victory, occupy top-level government posts. [passage omitted]

Change 90 Slate Registered With Electoral Court

PY1110014894 Lima Radio Programas del Peru Network in Spanish 1800 GMT 10 Oct 94

[FBIS Translated Text] Martha Chavez, spokeswoman of the governing party New Majority-Change 90, this morning registered the the slate headed by current head of state Alberto Fujimori with the National Election Board [JEN].

Legislator Martha Chavez submitted to JEN official (Ricardo Velez) the documents certifying the registration of the slate formed by Alberto Fujimori, businessman Ricardo Marquez for the first vice presidency, and Cesar Paredes Canto as candidate for the second vice presidency.

Legislator Luz Salgado Rubianes voiced her satisfaction over the naming of Marquez and Paredes as members of the slate headed by the head of state.

It is expected the Christian Popular Party [PPC] will register with the JEN today. The PPC slate is headed by Lourdes Flores Nano.

Perez de Cuellar's Platform Detailed

PY0810000094 Lima LA REPUBLICA in Spanish 25 Sep 94 pp 2-4

[FBIS Translated Excerpt] The race is on. One of the main protagonists of the April 1995 presidential elections officially announced his independent presidential candidacy on 22 September in a brief but flamboyant speech. In it, he outlined the guidelines of his campaign and of his eventual government program if he wins.

It was not an enthusiastic or demagogic speech, nor a campaign speech. Rather, it was a speech outlining basic

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concepts that will be the basis of a government program which all Peruvians of good faith and good will were invited to draft.

With his characteristic self-restraint, and resorting to an appropriate language that was neither too elaborate nor elitist, the former UN secretary general clearly expressed the need for a strong hand to defeat subversion.

He was even more specific when he said that a market economy is the best source of resources but that in order for it to work properly, the government must promote equal opportunities.

He said: "Peru's absolute priority is to create more and better paid jobs."

In line with this basic concept, he gave the reminder—even to those who do not wish to hear it—that when he was UN secretary general, he helped President Fujimori draft an economic program shortly after his election.

He admitted that one of the positive effects of the current economic program is the curbing of inflation. He warned, however, that the inflation rate must be lowered even further in order to generate jobs and good salaries because, he said, development must not be achieved at the expense of the misery of workers, but on the basis of productivity.

He also criticized the campaign of gifts that is being promoted by his virtual contender at the expense of government resources. He added that in the poorer areas he visited in the last 38 days, since his arrival in Peru, he saw poor but dignified people "who are asking for jobs but not charity."

He said that the price for stability has been too steep, and it has mainly been paid by the poorest, particularly those created by the recession.

After praising democracy as the fairest and most effective political system, he said he favors the end of personality cults and the decentralization of power through the establishment of municipalities.

On two occasions he referred to his condition as an independent candidate. He said he will face an adversary with huge economic resources, in addition to the ones those who are in power enjoy. In view of this, no comparisons could be made, he said.

In sum, Perez de Cuellar offered to make headway on what has been achieved in the past few years by perfecting what has been done and to achieve a democratic and stable country with work and development. [passage omitted]

As for the basic points of Perez de Cuellar's electoral program, the only ones that are known are those that were disclosed by the Union for Peru [Union por el Peru] candidate in his 22 September speech. It is very likely, nevertheless, that a major part of his government program will be based on the document entitled "Basis for Agreement for the Future of Peru" drafted by the Board for Democracy.

This document was delivered to Perez de Cuellar on 14 September at his home, where he welcomed the members of the board headed by Carlos Amaty Leon, Javier Gonzalez Olaechiea, Carlos Tapia, Gustavo Mohme, Jose Pator Vives, Julio Luque Tijero, Nicolas Lunch, Manuel Dammert, and Teodulo Hernandez.

After the meeting, Perez de Cuellar stated that this document "is the basis of a national unity movement that can achieve a different and democratic state."

The document encompasses 18 basic guidelines that were approved by all national political forces:

1. For the institutionalization of democracy: It seeks to guarantee representative democracy and freedom of opinion, freedom of information and broadcasting, revaluing the role of social and political groups having true popular participation.

2. Education for the progress of all: It promotes an education system that meets the basic educational needs of the entire population, strengthening the humanist and democratic culture and promoting scientific and technological knowledge of our traditional cultures. It states that free education and equal opportunities are indispensable.

3. Social solidarity: It is based on the need to overcome the extreme poverty of 12 million Peruvians. It seeks to undertake massive investment programs to generate jobs by concentrating on social and economic infrastructure, the production of capital goods and services to improve the quality of life, and free health care for the needy.

4. More jobs and new labor relations: A massive generation of jobs on the basis of competitive production and emphasizing small-sized and micro-sized companies granting priority to training and jobs for youths. Promoting an integral and fair labor policy that promotes jobs and respects the dignity of workers.

5. Social security for all: It seeks to establish a universal social security system that encompasses a public social security system allowing the development of the private sector, all of which will be controlled by consumers.

6. Promotion of women: It seeks to improve the standard of life of women by promoting their participation in politics, in the job market, and in decision-making posts.

7. A modern state and promotion of development: It seeks to promote social development through collective decision instances and mechanisms. To streamline and modernize the legislative, executive and judicial branches. To simplify the structures of ministries and professionalize public careers.

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8. True decentralization: To reorganize society and the state on the basis of regional and local autonomous governments. To decentralize the decision-making process, duties and state resources.

9. Fair and stable economic growth: To achieve growth on the basis of freedom and by integrating national sectors and regions. To be competitive at the international level, to general jobs, and improve the level of income and the quality of life on an equal basis.

10. The recovery of the agricultural sector: To capitalize and modernize production systems established by agricultural companies. To guarantee access to credit and property to farmers. To promote business pluralism and avoid ineffective concentration.

11. Sustainable management of environment resources: To develop the use of resources by safeguarding the environmente.

12. A modern and efficient banking system: A massive and intense capitalization and modernization of production resources, training of workers and the organization of companies. Long-term resources are required along with mechanisms to share risks to thus promote national and foriegn investments. To organize, without subsidies, a modern banking system.

13. Pacification: To achieve the complete dismantling of terrorist subversion. To achieve national reconciliation on the basis of the prevalence of justice and the enforcement of the law and to implement a specific support program for social outcasts.

14. Fast and efficient justice: To strengthen the justice system. To guarantee an independent, honest, and decentralized justice system.

15. National defense and security: To maintain the Armed and Police Forces as essential national institutions serving Peru but strictly upholding the Constitution and government powers. To adapt their organization to a new national security strategy and pacification requirements.

16. Effective moralization: To struggle against corruption by guaranteeing the honest handling of government resources, simplifying adminsitrative proceedings, effective punishments, and social participation

17. Eradication of drug trafficking: To implement definitve and clear plans to eradicate narcotrafficking and drug addiction through prevention and interdiction programs and a global and effective strategy and the training of experts.

18. New foreign ties: To promote the authentic reincorporation of the country in the international system to safeguard and promote its security, development, and well being. To strengthen ties, particularly at the bilateral level, in line with national interests.

Campaign Developments 21-27 Sep

95P20032A Lima Resumen Semanal Press Review in Spanish 21-27 Sep 94

[From DESCO Database; received via Internet]

[FBIS Translated Excerpt] [Passage omitted]

Fujimori: Building "Authentic" Democracy

On 24 September President Alberto Fujimori presided over the celebration of Armed Forces Day at Army Headquarters. He delivered a speech heavy with criticism against critics of the national defense forces. "The consolidation of peace in Peru is an historic task requiring the greatest dedication and sacrifice because it is the foundation for the development of an authentic democracy," the president said. "I have given an express order to fire on anyone who does not surrender," he said. "It is [as the result of] a political decision that there now are fewer casualties among the soldiers fighting the subversives," he stated. And along the same lines, he called on the Chairman of the Joint Command, General Nicolas Hermoza Rios, to continue his pacification work "without paying attention to petty criticisms." He added that the current goal is to "exterminate terrorism."

The head of state expressed his full support for and confidence in the efforts that the armed forces and the police are making. "The moment of silence we held in memory of the fallen (soldiers and policemen) makes us indignant and makes us want to protest to those who attack the Armed Forces and the National Police and who, nevertheless, kept their silence about the human rights of 22 million Peruvians when terrorism was growing," he said. "There are those who come to preach that it could be done better, that we did not fight a perfect war. Those critics were abroad when things heated up," the president observed. Fujimori referred to those persons as "illustrious spectators of the Peruvian drama who today demand accounting of and interrogate those who are the protagonists in the true war of national liberation. The peace that Peru enjoys today," he said, "did not come as spring comes, through the natural change of seasons, although to some it seems that way, because they did not live and suffer the war here. They have come to sit at the table, already set, and on top of that, dissatisfied and critical." He said that today the government is building an "authentic" democracy with universal suffrage and clean elections. (Most dailies 25 Sep 94) [passage omitted]

"Abduction" of Military Institution

Commentator Mirko Lauer wrote, "From his headquarters Fujimori is broadcasting his election-oriented, biased version of what the countersubversive war has been. Let me explain. Fujimori presents the military victims of terrorism as the only victims. The truth is that in the war against Shining Path [SL] many more civilians were killed or injured than military. Fujimori speaks as if the war against the SL started with the self-coup in April

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1992. The truth is that since the beginning of the 1980's the Armed Forces have been fighting the SL, with many of today's military gaining the experience which recently began to produce the victories of the last few years. Fujimori presents the war against the SL as a strictly military matter. The civilian ronderos were decisive in preventing the 'great leaps forward' of the SL. Fujimori presents Nicolas de Bari Hermoza, his political ally, as the only victorious general in the war against the SL. The truth is that the major victory belongs to General Ketin Vidal. Fujimori appears convinced that his public support for Hermoza at official ceremonies will bolster both of them. The truth is that this gives them an image of political intrigue with, and abduction of, the military institution." (LA REPUBLICA 27 Sep 94)

President's Criticism "Not Advisable"

Manuel D'Ornellas wrote: "President Fujimori has been making comments about Javier Perez de Cuellar [JPC] which, at best, could be called ironic. This is not the first time that Fujimori says that now that the table is set everybody wants to be seated, and that this would not have happened a few months ago. The president may have reason to say what he says, but it is not advisable to do so. It will only lead to more votes for Perez de Cuellar. The president's pugnaciousness may have earned him credit in 1992, but times have changed. Today people do not applaud this belligerent style. It remains to be seen whether Fujimori understands that what the people are seeking today is a settled, mature leader with civil manners. If Fujimori does not show good manners, sympathy will shift to Perez de Cuellar. Another thing Fujimori should avoid is to be triumphant. As Alfredo Torres of Apoyo S.A. explained so well, the Peruvian people tend to vote against the top dog, not for him." (EXPRESO 27 Sep 94)

Higuchi Calls for Higher Wages

Susana Higuchi started her presidential campaign on 24 September with a visit to settlements in Ventanilla District. In a brief message she launched a "frontal assault on injustice and corruption, the root causes of hunger." She said that her political group will create a standard rate for basic services which often "have been exorbitant, with no relationship to family income." Mrs. Higuchi questioned the constitution of 1993, which, she said, allows for reelection but which nevertheless prohibits relatives of the president from running for public office. She repeated that on 7 October she will register her candidacy with the National Election Board. (Most dailies 25 Sep 94)

The following day, in Piura, on what she said was the start of a nationwide journey, Higuchi called for the central government to raise the salary of the National Police and of retired workers. "From Piura I urge the present government to raise the salaries of the National Police and all retired workers who also were once the children of Peru," she said. She said that unemployment, hunger, and corruption are the three principal problems currently facing Peruvian society. She questioned the privatization of Petroperu, repeating that it was a public enterprise linked to national sovereignty. She therefore asked for the "unconditional protection of our natural resources, and among them the petroleum that is part of our national sovereignty." (Most dailies 26 Sep 94)

Intelligence Service Poll

LA REPUBLICA (25 Sep 94) revealed a poll conducted by the National Intelligence Service [SIN] with 1,500 male and female voters. Fujimori got 41 percent of the votes and Perez de Cuellar ranked second, with an important 23.5 percent, followed by Susana Higuchi, wife of the incumbent, with 10.2 percent. Mercedes Cabanillas [Apra] got 7 percent and [Lima] Mayor Ricardo Belmont 3.4 percent. Luis Caceres Velasquez [Frenatraca—National Front of Workers and Peasants] and Raul Diez Canseco [Accion Popular] were both in sixth place with 2 percent each and Fernando Olivera [Frenatraca] got 1 percent. A total of 9.9 percent went to "other candidates." At the end of the poll the SIN's analysts concluded with the following: "In the provinces the average support for Alberto Fujimori is 38 percent." The results of a hypothetical second voting round: Fujimori 48 percent, Perez de Cuellar 39 percent, no reply 8 percent, blank 5 percent.

United Left Electoral Alliance

The National Election Board has registered the United Left Electoral Alliance which is made up of Mariateguist Unified Party [PUM], the Peruvian Communist Party [PCP], and the Student-Peasant-Worker Popular Front [FOCEP]. At the same time the election board agreed to register, but only provisionally, two political groupings: the Agrarian Independent Movement (MIA) and the "New Peru" Movement. (LA REPUBLICA 21 Sep 94)

In other news, the faction of the Left led by Alfonso Barrantes completed its first democratic consultation with the bases of the Left. According to informal projections these bases are said to have voted in favor of United Left [IU] being a political party and not just an alliance of parties dominated by caudillos. They want the party to have its own lists in the 1995 elections. That outcome would be a triumph for Barrantes who originated the idea of converting the IU into a single political entity, and it would be a defeat for the opposing faction, led by Genero Ledesma and Javier Diez-Canseco, who insist on an alliance of parties. (EXPRESO, LA REPUBLICA 26 Sep 94)

Hermoza Guarantees Transparency

On 22 September, during a visit to Tocache, Army Commander General Nicolas de Bari Hermoza Rios stated that the Armed Forces would guarantee a transparent process in the coming general elections and that the National Election Board would have free hands. He

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said that the Armed Forces would only fulfill the missions stated in the Electoral Law of "guaranteeing free suffrage to the citizens, protection for the election stations, the provincial election officials, and the staff of the National Election Board. The Armed Forces will be completely impartial," he stated. In replying to a question about the presumed espionage activities of the SIN he criticized the attitude of "individuals" who attacked an Army officer who was only carrying out his official duties. He said he knew nothing about the activities of the SIN because it is not his purview. "I will not permit this kind of outrage against any of my people," de Bari Hermoza said. He also criticized the international human rights organizations and accused them of slowing down the Army's operations during "Operation Aries" last April. (Most dailies 23 Sep 94) [passage omitted]

"No Future" in Fujimori's Plan

Mirko Lauer wrote: "Javier Perez de Cuellar has stated that it is not necessary to reelect Fujimori in order to maintain the policy of fiscal austerity and the war against subversion. Instead, without Fujimori, Peru could recover jobs, production, justice, institutions, stability, and democracy, he said. In opposition to a Fujimori who practices and represents the division of the country, aided by the Armed Forces, Perez de Cuellar proposes the unifying virtue of respect for the institutions. Fujimori is betting on the gratitude of those who benefit from his successes and those who receive his daily contributions. But there is no future in Fujimori's proposal, which is almost an act of political retrieval. If Perez de Cuellar's campaign succeeds in overcoming the fears of the fujimorists who today are incapable of conceiving of a future without authoritarianism, he could convince them that the consolidation of what he has proposed lies precisely in the shift from authoritarianism to democratic institutionalism." (LA REPULICA 24 Sep 94)

Perez de Cuellar's "180-Degree Turn"

Manuel D'Ornellas wrote: "After the cold shower of the Apoyo poll Perez de Cuellar showed better political reflexes than his advisers. He immediately made a 180-degree turn and 1) advanced the public announcement of his candidacy by 24 hours, and 2) condensed his program into a short text, changing to a pragmatic 'let's perfect what has already been put forward' by the current government. Or, a reversal to 'more of the same, only better.' In any case, President Fujimori and his staff need to prepare for a dangerous offensive. Because it is not the same to face a radicalized Perez de Cuellar, flanked by [Cuzco Mayor Daniel] Estrada and Congressman Henry Pease, as it is to face de Cuellar when he presents himself as a paradigm of moderation, accompanied by the economist Manuel Moreya and the businessman Ricardo Vega Llona." (EXPRESO 25 Sep 94)

Paper "In Agreement" With JPC

EXPRESO (25 Sep 94) opined: "Perez de Cuellar's motive in recognizing the successes achieved by the current economic policy and adhering to a market economy was very clear: To dispel any doubt which his previous statements may have caused. And then, at the same time to offer what, in his judgment, President Fujimori cannot assure: democracy, a strengthening of the institutions. For this reason, in spite of the fact that some of the things he said still merit criticism, we are essentially in agreement with the general content of this message. The agenda for the election debate is defined. First, the deepening and consolidation of the reform and the market economy. Second, advances, not reversals, in privatization. Third, the role of the government in the strategy of development, jobs generation, and an increase in exportation. Fourth, education and the war on poverty. Fifth, democracy, balance of power, and institutional reform, such as the judiciary and the Armed Forces."

Weekly: "Dubious" Election Process

The weekly OIGA (No 710, 26 Sep 94) wrote: "No sooner was Perez de Cuellar's candidacy known than the government machinery wanted to take advantage of that circumstance to lend a cloak of legitimacy to the murky conditions in which the electoral process is developing. 'If Perez de Cuellar has decided to participate in the electoral process it is because he believes the conditions are assured for doing so,' wrote palace analyst Manuel D'Ornellas. In a deliberate way, the followers of fujimorismo did not want to take into account the part of Perez de Cuellar's discourse that alludes directly to this topic: 'I know perfectly well,' he said, 'the circumstances in which I will compete. After 70 years we once again face reelection, an old political practice that always had bad results in Peru and in Latin America....' To keep a clear view of the unequal circumstances in which next year's election will have to be settled (with Fujimori as a reelection candidate, shamelessly using government resources in order to win and with blatant help as well from the military leadership) does not mean to issue a certificate of absolute transparency. On the contrary, the candidacy of Perez de Cuellar, because of his international stature, is a challenge to the government to force it to drop its illegal and dirty maneuverings. He must not, however, fall into the trap of the official spokesmen. We are facing a dubious election process with a National Election Board that has already clearly showed that it does not want to assume the responsibilities that the text of the Electoral Law places on it." [passage omitted]

Loss of "Pure" Image

When Perez de Cuellar [JPC] made public his candidacy in spite of the "unhoped-for" results of the Apoyo opinion poll that gave him only 24 percent support, Manuel D'Ornellas wrote: "Through his constant and visible linkage to political leaders of the various opposition parties the former secretary general of the United Nations is gradually losing his image of a pure independent that he had at the beginning of this year. The result of this pattern is reflected in the Apoyo poll. He is

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separated from Fujimori by 20 points nationally and in the provinces all the hopes in him remain diminished numbers: Support for his candidacy there is barely 23 percent. It is time to reverse this trend, that is, the staff accompanying the ambassador must undo the damage and see the reality as it is: The electoral horizon can only expand with 'fujimorismo without Fujimori,' and that surely does not imply the loss of the recalcitrant opposition who do not have any other viable candidate to turn to. Many people wanted to vote for a figure of international renown who offered to continue the work of the current government with optimal links to the outside. If don Javier specifically offers this, his candidacy will again bloom." (EXPRESO 21 Sep 94)

"Early Error" of Polls

Mirko Lauer wrote: "The latest national opinion poll by Apoyo suggests that Fujimori is a 'teflon president' to whom the liabilities of his government will not stick. The Apoyo poll is discreet compared with others, such as the the Datum poll. But the message is the same: The problems of the country are one thing, the popularity of Fujimori another. There are several explanations for this. We are witnessing another early error in the polls. The people still remember and treasure Fujimori's successes. Fujimori believes more in the first than in the second. From his own experience he knows that polls change with events and that election trends do not gel overnight. Statistically speaking, Fujimori is peaking. The real election campaign has not yet started. Let us not forget that neither in the elections to the Constituent Congress, nor in the national municipal elections, nor in the referendum, did fujimorismo have any serious contenders. A good part of the Fujimori magic has until now been the absence of rivals with any alternative." (LA REPUBLICA 22 Sep 94)

Polls As Predictors Questioned

The weekly CARETAS (No 1330, 22 Sep 94) stated: "Several news media have broadcast electoral polls and attributed to them, explicitly or implicitly, the ability to predict with almost absolute certainty. In reality there is absolutely no basis for this in Peru where no poll in the last five years has served to predict an election outcome seven months in advance. Examples abound. For the 1990 elections the polls attributed percentages of more than 40 to Mario Vargas Llosa during the entire election campaign. The result was, as we know, 27 percent for Vargas Llosa and 25 percent for Alberto Fujimori. In the second round the error was even greater. In Lima, for instance, Apoyo S.A. registered a majority for Vargas Llosa. Four days before the election Apoyo recorded 44 percent for Vargas Llosa and 36 percent for Fujimori. The result in Lima was 51 percent for Fujimori and 44 for Vargas Llosa.

"In the national polls Apoyo registered 41 percent for Fujimori and 39 percent for Vargas Llosa four days before the election of 10 June 1990. The result was 56 percent for Fujimori and 34 percent for Vargas Llosa. In other words, a difference of 22 percent instead of the 2 percent that the poll registered. The other reliable polling firms had more or less the same data. That is, the problem was not unique to Apoyo, they all had it. None of them registered the real trends in the electorate. In the municipal elections of 1993 the polls continued to err. An Apoyo poll, broadcast by Panorama on 20 December, recorded 22 percent support for the incumbent, Pablo Gutierrez, 17 percent for Ricardo Belmont, and 15 percent for Luis Caceres. On 10 January Caceres reached 21 percent, while Belmont went down to 15 percent, to the same level as Gutierrez. The result, less than 20 days later, differed terribly from what the polls had registered. Belmont won with 38 percent, 23 percent more than the polls were showing. Once again the polls failed completely as predictors of an election outcome. Some weeks before the 31 October 1993 referendum the polls were predicting results of 70 percent yes and 30 percent no. But the outcome was a lot more modest: 52 percent for, 48 percent against. Those 40 percent in difference became one-tenth: a mere 4 percent. In view of the last five years' experience, it would be a big mistake to consider the polls capable of predicting en election outcome with six months to go."

"Manipulative" Use of Polls

Fernando Rospigliosi (CARETAS No 1330, 22 Sep 94) wrote: "How can we explain the failure of the political opinion polls in the last five years? It appears to be a fact that the polls in Peru lost their compass at the same time that the political parties collapsed—in 1989 and 1990. There must therefore be a link between the two phenomena. It is hard to believe that the polls reflect the true feelings of the electorate up until two weeks or two days before the election and then, suddenly, there is an overturn and a gigantic shift from one candidate to another. What is most probable is that the erosion of one candidate or the rise of the other occurred many weeks or months earlier and that the polls simply did not register the phenomenon. For instance, in the months leading up to 8 April 1990, none of the numerous mistakes that Mario Vargas Llosa made appeared to affect him in the least. In fact, what must have happened is that those mistakes were affecting the Fredemo [Democratic Front] candidate, but that the polls did not register it. Today, for instance, if we believe the polls, the conflict between Fujimori and Higuchi has not hurt the former's election chances at all. On the contrary, the conflict appears to have benefitted him. I do not believe that can be the case, but if we take into consideration what has happened in previous years, we will only see the effect on election day. All in all, the polls have not served to predict election results for the past five years, and there is nothing to indicate that this time they will. What is clear is that the government is using the polls manipulatively to try to influence public opinion. Nevertheless, it would appear that the influence of the polls is not as great as those who use them would like to think. It is

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important to pay attention to other signals that the polls do not register but which could be as, or more, important." [passage omitted]

"Myth" of the Polls

The weekly OIGA (No 710, 26 Sep 94) wrote: "Do you believe in polls? To answer this question all you have to do is use your memory a bit. What happened with the referendum of 31 October 1993? ...Almost the same thing happened with the last municipal elections in January 1994. Think of the presidential election in 1990. Do those results call into question the reliability of the local polling firms? Actually, it is not as bad as all that; it all depends on the way the polls are conducted. An extensive conversation with Giovanna Penaflor of Imasen allowed us to get a clearer view of the difficulties the polling firms face. The first problem to affect these polls is the heterogeneity of the Peruvian population. It is not enough to divide it into high, medium, and low sectors, because within each one of these there are subsectors and different strata distributed all over our extensive and difficult geography. In order to reflect such a heterogeneous reality a larger sampling population is needed. A poll of 400 persons with 50 questions is not the same as with 25 questions. The greater the number of questions, the greater the precision of the results. Nor can this limitation be overcome with a greater number of interviews, because while the sampling may be greater, and the statistical error smaller, the nonsampling error increases. By using a large number of pollsters the margin of human error increases. Penaflor maintains that, in her opinion, the majority of the errors stem from the news media who do not give detailed information on the technical data of a poll. For example, when a pollster states that his work was done in the principal cities of Peru, his point of reference is only slightly more than 40 percent of the electorate, so the data can not be presented as valid for the entire electorate. Penaflora therefore suggests that the publication of these polls should be regulated in order to avoid manipulation of the polls by the news media who may be interested in promoting a certain outcome."

New Workers Movement

With the objective of forming a new political organization, 150 leaders of the National Secretariat of Unions of the Poplar Christian Party [PPC] have left that grouping according to the transportation workers' leader, David Quintana. He said that the new grouping will be called the Workers Movement and it intends to participate in the general elections next year with parliamentary lists. According to Quintana, the grouping will include six unions: the National Confederation of Workers (CNT), the Confederation of Democratic Workers of Peru (CTDP), the Federation of Workers of the Peruvian Revolution (CTRP), the National Confederation of Peruvian Newspapermen (CNPP), the National Federation of Peruvian Peasants (FENCAP), and the Trade Union of Peruvian Workers (USTC). (EXPRESO 21 Sep 94) [passage omitted]

Political Violence Statistics for July 1994

94WR0257Z Lima REPORTE ESPECIAL/DESCO in Spanish Jul 94 pp 4-5

[Special Report No 39: "Political Violence in Peru Today," issued by Peru's Center for Development Studies and Promotion, DESCO]

[FBIS Translated Text] This month, subversive activities declined over 50 percent from the June figure. However, the death rate rose 20 percent in comparison with that same month. During July, 51 subversive attacks were reported, causing the deaths of 50 persons.

The scene on which most of the subversive acts took place was the Center Region, with 19 attacks (38 percent). Seven of these incidents were confrontations between the forces of order and patrols. Three of the confrontations were led by the MRTA [Tupac Amaru Revolutionary Movement], in Chanchamayo Province. This group also carried out an ambush of a police convoy in Satipo Province.

Lima ranked in second place, with 10 subversive acts (19 percent). Three of these attacks were acts of sabotage, and four were agitprop activities. The subversives also machine-gunned a Navy vehicle.

Third place was occupied by the North Region, with eight acts (15 percent). Shining Path [SL] groups raided localities in Huancabamba on two occasions, to hold executions, and did so in another part of the same province for armed propaganda purposes. In Sanchez Carrion Province, they made two raids on two villages. In one, they executed villagers and, in the other, they threatened the mayor with death.

Ranking fourth was the Jungle Region, with six attacks (12 percent). Two of these acts were confrontations with the forces of order. Sendero also made two raids on villages in San Martin and Huanuco.

Fifth place was taken by the Principal Region, with three attacks (6 percent). In Lucanas, they engaged in an act of armed agitation. In Abancay, there was action to harass a military base, and in Huamanga, a raid was made on a campesino community.

There was a tie for sixth place between the Middle North and Middle South Regions, with two attacks (4 percent), respectively. In the Middle North, a raid was made in Barranca, during which they held an execution; and a summons to an armed strike was issued in the same province. In the Middle South, there were two acts of armed agitation, in Ica and Pisco Provinces, respectively.

Ranking in last place for attacks was the South Region, with one act (2 percent). In Canchis Province, they attacked a vehicle, and stole weapons from two policemen.

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Insofar as victims are concerned, first place was taken by the Jungle Region, with 22 deaths (44 percent), 15 of which involved subversives killed in confrontations with the forces of order. Fourteen of the subversive casualties occurred in a confrontation in Tocache Province, specifically, in San Martin Department.

The Center Region ranked second, with 13 victims (26 percent). Nine of the deaths were of civilians, six of whom were campesinos murdered by Shining Path for reprisals after it had held a confrontation with patrols in Satipo Province, Junin Department.

In third place was the North Region, with 11 deaths (22 percent). All the victims were civilians. Five of these persons were killed in two SL raids on towns in Piura's Huancabamba Province. Another three victims were killed in an SL raid on villages of Sanchez Carrion Province, in La Libertad Department.

Fourth place was occupied by Lima, with three victims (6 percent). There was a selective assassination of a physician in Santa Anita District. Meanwhile, another person was shot to death by Army soldiers for not obeying an order to halt; and a member of the Navy was killed when the subversives machine-gunned a vehicle belonging to that institution.

Ranking last was the Middle North Region, with one victim (2 percent), caused by a Shining Path raid on a farm in Barranca Province, where they killed a farmer.

Terrorist Attacks by Region: July 1994

Center: 31 percent; Principal: 21 percent; Lima: 16 percent; North: 13 percent; Jungle: 10 percent; Middle North: 3 percent; Middle South: 3 percent; South: 2 percent.

Victims by Region: July 1994

Jungle: 44 percent; Center: 26 percent; North: 22 percent; Lima: 6 percent; Middle North: 2 percent.

Victims and Attacks by Regions in July

Center: Victims: Armed Forces: 0; Police Forces: 2; Civilians: 9; Subversives: 2; Total: 13; Attacks 19

North: Victims: Armed Forces: 4; Police Forces: 0; Civilians: 11; Subversives: 0; Total: 11; Attacks: 8

Middle North: Victims: Armed Forces: 0; Police Forces: 0; Civilians: 1; Subversives: 0; Total: 1; Attacks: 2

Lima: Victims: Armed Forces: 1; Police Forces: 0; Civilians: 2; Subversives: 0; Total: 3; Attacks: 10

Jungle: Victims: Armed Forces: 3; Police Forces: 0; Civilians: 4; Subversives: 15; Total: 22; Attacks: 6

South: Victims: Armed Forces: 0; Police Forces: 0; Civilians: 0; Subversives: 0; Total: 0; Attacks: 1

Middle South: Victims: Armed Forces: 0; Police Forces: 0; Civilians: 0; Subversives: 0; Total: 0; Attacks: 2

Principal: Victims: Armed Forces: 0; Police Forces: 0; Civilians: 0; Subversives: 0; Total: 0; Attacks: 13

Total: Victims: Armed Forces: 4; Police Forces: 2; Civilians: 27; Subversives: 17; Total: 50; Attacks: 51.

Electroperu: 'Terrorist Attack' Caused Blackout in Lima

PY0810030194 Lima Global de Television Network in Spanish 0130 GMT 8 Oct 94

[FBIS Translated Text] According to an Electroperu [Peruvian State Electric Power Enterprise] communique, the blackout that affected several Lima districts last night was caused by terrorist attacks that destroyed two Mantaro power pylons. The communique adds that Electroperu personnel are working to normalize power supply within the next 72 hours.

Meanwhile, Electroperu is supplying power at 6 to 8 hours intervals.

State of Emergency Extended in Huanuco, San Martin

PY1010224094 Lima Radio Programas del Peru Network in Spanish 1800 GMT 10 Oct 94

[FBIS Translated Text] The executive branch has extended for another 60 days the state of emergency in Huanuco and San Martin departments and in Yurimaguas district in Loreto.

The state of emergency was extended at the request of the Armed Forces joint command to help the antiterrorist and drug enforcement operations in these areas.

Spokesman on Development of Privatization Process

PY1110020894 Madrid EFE in Spanish 1624 GMT 10 Oct 94

[FBIS Translated Excerpt] Lima, 10 Oct (EFE)—A government spokesman today disclosed that the sale of public enterprises has represented for the country an income of more than $2.849 billion in cash in addition to $3.213 billion in productive investment commitments since 1991.

This income was obtained through the privatization of 48 public enterprises that were purchased in their majority by foreign enterprises that have invested in the areas of mining, oil, and telecommunications, among other fields.

The most recent privatization took place last Friday, 7 October, when the U.S. consortium formed by Magma Cooper and Global Magma enterprises purchased Tintaya enterprise, which owns the second largest copper mine in the country, for $218 million.

In addition the consortium will pay $55 million in Peruvian foreign debt bonds and will invest, within a maximum of five years, another $87 million to develop the enterprise.

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The sale of Tintaya enterprise is considered a success by experts because the auction base price, which was only $60 million, was four times less then what the winning bidder paid.

The privatization process will affect almost all public enterprises, with the exception of 12 that are about to be liquidated and another 10 that have or will be maintained by the state but will be given in concession to the private sector.

It is expected the process will end in July 1994 [as received] and that by then the state will have collected a total of more than $5 billion in cash and a similar quantity in short-and medium-term investment commitments.

The following enterprises will be privatized: Petroperu [State Petroleum Agency], the mining complex Centromin, the power enterprise Edegel, Siderperu [Peruvian Iron and Steel Enterprise], Pescaperu [State Fishmeal and Fish Oil Production Agency], Mineroperu [Peruvian State Mining Enterprise], the ports, the airports, railways, the Bayovar phosphate deposits, the Continental bank, and two cement factories, among others. [passage omitted]

Venezuela

Caldera Denies Asylum to Haiti's Cedras

PA1010203694 Hamburg DPA in Spanish 2003 GMT 10 Oct 94

[FBIS Translated Text] Caracas, 10 Oct (DPA)—In a letter addressed to former U.S. President Jimmy Carter, the Venezuelan chief of state, Rafael Caldera, denied today the possibility of granting asylum to Haitian coupist General Raoul Cedras, his relatives, or collaborators.

"My government does not consider his presence here advisable at this time," the Venezuelan president said, stressing that Caracas maintains its traditional policy of granting asylum to those politically persecuted, but in the case of Gen. Cedras "it is a matter of individuals whose public actions have received the unequivocal verdict of the international community."

Carter addressed the Venezuelan president on behalf of the authorities in Washington. According to Caldera, Venezuela would have received the Haitian military members who overthrew President Jean-Bertrand Aristide had they accepted the Venezuelan proposal of a "Latin American solution" to the Port-au-Prince crisis that was made by Venezuelan Foreign Minister Miguel Burelli Rivas to prevent the direct intervention of the United States.

Cedras, who resigned today and announced he will leave Haiti, headed the September 1991 coup d'etat. President Aristide was received initially in Venezuela at that time by then chief of state Carlos Andres Perez.

Acting Finance Minister on Economic Prospects

PA0910032694 Caracas ECONOMIA HOY in Spanish 7 Oct 94 p 9

[FBIS Translated Text] Acting Finance Minister Luis Xavier Grisanti has said the Metropolitan Bank Intervention Board will be restructured, because of problems that appeared when it came time to pay depositors in the entity in which the government intervened.

Grisanti made it clear the directors bear some responsibility for the situation at that financial entity.

But Grisanti added that they cannot act under pressure using mechanisms of violence, as has happened.

Regarding the foreign exchange control system, he said that this has been eased significantly following the appointment of Minister Luis Raul Matos Azocar.

"The foreign exchange process has been normalized. The current average stands at $30 million, which is what the economy needs to operate. On Monday approximately $170 million were authorized for the payment of letters of credit," Grisanti explained.

He added: "In addition to improving Venezuela's image abroad, this will allow us to absorb some of the excess monetary liquidity on the market."

"Given the circumstances experienced by the country, we were forced to establish a controlled exchange system. In Venezuela we like to assume drastic, extremist positions," he affirmed.

Grisanti said that as the Economic Stabilization and Recovery Program advances and the financial crisis is gradually overcome, the country must aim to join international trade through the Group of Three, which last July decided to create the Export Bank.

"If we continue to reinforce fiscal balance, as we intend to do in the 1995 fiscal year, I think we are going to be able to significantly eliminate controls," the acting minister asserted.

Regarding the fact banks are not applying the "spread" [preceding word published in English] or differential between active and passive rates established by the Central Bank of Venezuela—that is, 25 percent—Grisanti said if this measure is not complied with properly, national monetary authorities must be immediately notified, because they should take action on this matter.

He remarked that money must be remunerated appropriately in proportion to inflation, which has decreased in the last two months. "Only in the measure in which we are really able to control inflation will we be able to definitely attain appropriate inflation levels," the acting finance minister continued.

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Regarding negotiations with the IMF, Grisanti said Venezuelan authorities are about to conclude an agreement with that organization on an increase in the share of Special Drawing Rights (SDR).

He explained the agreements on this reserve currency—which resulted in an increase in international reserves of all IMF member countries—were presented in Venezuela as a defeat for our country.

Finally, Grisanti affirmed that "Venezuela had to speak on behalf of Latin America. But this was not a defeat for the country, because the issue is still under discussion."

French Guiana

Details of Launch of Ariane Rocket Carrying Solidaridad II

PA0810030794 Mexico City NOTIMEX in Spanish 0116 GMT 8 Oct 94

[By Eda Chavez]

[FBIS Translated Text] Kourou, French Guiana, 7 Oct (NOTIMEX)—The European Arianespace Company launched into space on 7 October the Solidaridad II satellite, which will make Mexico the developing economy with the largest commercial satellite intercommunications system.

Solidaridad II was launched at 2207 (0107 GMT on 8 October) from the South American space center of the European Arianespace telecommunications company, located in Kourou, French Guiana, along the coast between Suriname and Brazil.

The Mexican satellite, which was built by the U.S. Hughes Aircraft Company, shared Arianespace flight No. 68 with Satellite Thaicom II of Thailand, on board Ariane rocket 44L, known as Ariane 4.

Solidaridad II will be the first satellite released by Ariane 4 and should enter a geostationary orbit 113 degrees west of the Greenwich meridian above the eastern Pacific Ocean, 22 minutes and seven seconds after the launch.

The Arianespace mission will end 33 minutes and seven seconds after the launch. Responsibility for post-launch performance of the satellite will go to the company that built the device, Hughes Aircraft.

The fourth Mexican satellite in space has one of the most advanced technologies known. It has 35 channels working on C, L, and KU frequency bands, and can reach the entire south in the west of the United States, Mexico, and Central and South America. [sentence as received]

Mexico has three of its four satellites, Morelos II, Satelite I and Satelite II, in operation, after Morelos I operations in May 1985.

Satelite II will be controlled from the Mexican telecommunications center in Iztapalapa, in eastern Mexico City, two hours after launch.

Most projects for concessions with commercial purposes have been requested by U.S. companies and Latin America countries.

The C band is most widely used by telecommunications satellites and distributes telephone, audio, and video signals.

The KU band serves the same purposes as the C band but depends on meteorological conditions and the technical availability of ground linkage points.

The L band serves as a link for mobile ground and maritime communications.

Solidaridad II, the same as its predecessor of type HS 601, with a take-off mass of about two 740 kg and a potency of over 2,500 watts. [sentence as received]

After they are detached from the Ariane 4 rocket, the satellites will be under the control of ground stations that will take care of all necessary operations to exploit them in space.

Ariane 4 placed Solidaridad II into what technicians call a "transference orbit" before being placed in its geostationary orbit approximately 36,545 km from the earth.

At its geostationary position, Solidaridad II must open its solar energy panels, which will in turn activate the electronic devices.

The satellite will reach 4.5 meters in height once in orbit and span 21 meters with its antennas unfolded. At that point, Solidaridad II will be controlled from the Iztapalapa Telecommunications Center and will operate commercially in November.

Mexican satellites convey the signals of more than 340 private networks that meet the data transmission needs of financial, industrial, and commercial companies. They also serve 35 television channels that link 500 television stations, 120 cable systems, and 35 audio networks that link 1,530 radio stations in the country.

Other systems that are operating above the American Continent are Panamsat, Intelsat, Hispasat, Simon Bolivar, and Brazilsat, as well as other U.S. satellites.

Mexican Communications Secretary Emilio Gamboa Patron witnessed the launch and was the first secretary of state to attend an Arianespace launch, the 68th by the European company.

Satellites Operating Normally

PA0810182094 Paris AFP in Spanish 1540 GMT 8 Oct 94

[FBIS Translated Text] Kourou, French Guiana, 8 Oct (AFP)—Kourou Space Center officials indicated that two telecommunications satellites, one Mexican and the

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other Thai, launched on Friday night by the 68th Ariane mission are in "excellent" orbit and operating normally.

Jean Francois Laumonier, official responsible for Ariane Useful Cargo at Arianespace, explained that Solidarity II and Thaicom II, the two "passengers" of the European rocket, were sent into orbits of 36,330 km, and 198.9 km apogees respectively, with an inclination of 3.98 degrees with respect to the equator, and an objective of 36,431 km, as well as 199.3 km and 4 degrees.

The satellites, both of which were built by the Hughes Space and Communications company in Segundo (California), are "operating normally."

The first ignition of the Solidarity II motor, one of the maneuvers that progressively allows moving the satellites from a transference orbit to a perfect geostationary orbit at a height of 36,000 km, is scheduled to take place this Saturday afternoon.

With respect to Thaicom II, Palompob Sawansiri, responsible for the mission for the Shinatrawa Satellite Public Company, explained that operations scheduled during the following weeks will allow the satellite to begin operating in November-December.

As a result of this successful launch, a contract that includes the launching (for free) by Ariane of a Mexican scientific micro-satellite in two years was signed this Satuday by Arianespace Director Charles Bigot, and Emilio Gamboa Patron, Mexican communications and transport secretary.

The scheduling of a third Thai satellite, Thaicom III, which the Shinawatra Satellite Public Company expects to lauch in 1996, was also announced.

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